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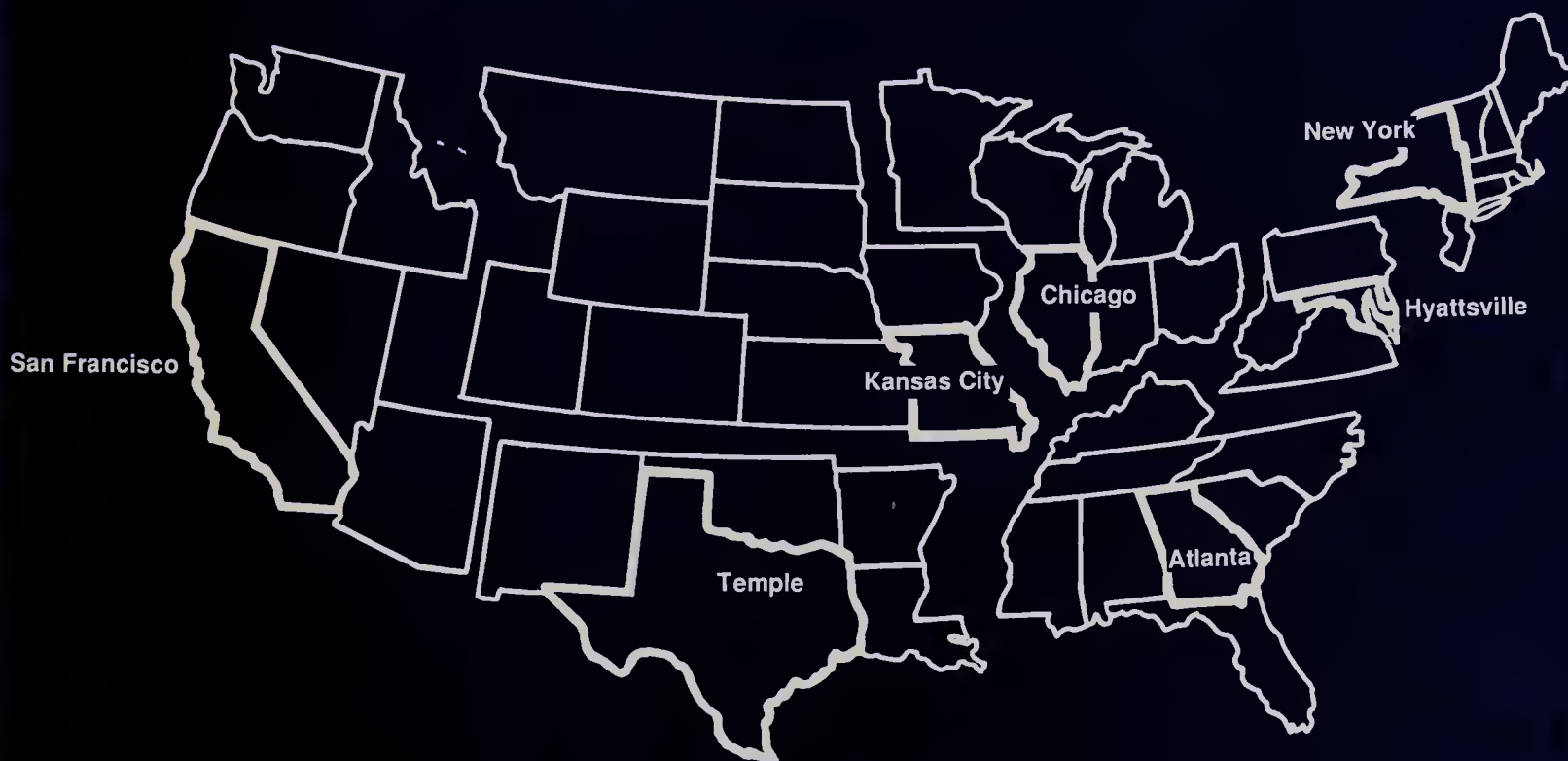
United States  
Department of  
Agriculture

Office of  
Inspector  
General

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# Office of Inspector General FY 1995 Annual Plan

October 1, 1994-September 30, 1995





**OFFICE OF INSPECTOR GENERAL**

**FY 1995 ANNUAL PLAN**

**October 1, 1994 - September 30, 1995**



# ***FOREWORD***

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This is the Office of Inspector General's (OIG) Annual Plan for fiscal year (FY) 1995. It describes our strategies for conducting audits, investigations, and evaluations so that we provide the Department's managers with meaningful information to make positive changes to the many programs and activities that they administer.


In accordance with the National Performance Review recommendations for improving OIG operations, and the Government Performance and Results Act of 1993, we are reinventing our relationships with U.S. Department of Agriculture (USDA) managers. We consider our audit and investigative services important management tools to help the Department's agencies make their programs and operations more efficient. We also believe these services help promote integrity by detecting and preventing fraud, waste, and abuse. While we are mandated to be independent and objective, we view our work as playing an important role in finding solutions to problems managers face.

This summer we conducted a series of meetings with many agency administrators and their staffs to solicit suggestions for improving our services. One important aspect of those meetings was to reemphasize our practice of encouraging management input into our planning process, to identify areas that warrant our attention - to engage in discussions up front on what we plan to do and what we can expect to provide. These meetings were beneficial and we expect to continue them; and we expect that the discussions they generate will continue into individual assignments so our audit work, as reflected for example in our objectives, scope, and approach, will better isolate issues of interest or concern to management.

We work with a diverse universe in USDA. Forty agencies administer more than 300 programs involving thousands of sponsors, contractors, and grantees. Our strategic planning process enables us to identify and focus on those programs most vulnerable to fraud and waste, or those where the largest dollar losses are most likely to occur. It also helps us make the best use of our audit and investigative resources.

Our strategic plans for FY 1995 are described further in the subsequent pages of this plan.

We also set aside time to deal with those unexpected, critical issues that inevitably arise during the course of a year. For example, USDA's reorganization plans will affect departmental operations, but the impact these changes will have on our plan is as yet unforeseen. We believe this flexibility is necessary for us to be effective in our mission and responsive to high priority issues as they arise. We welcome suggestions for areas to which the OIG might give attention in future audit and investigative activities.



CHARLES R. GILLUM  
ACTING INSPECTOR GENERAL





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# ACRONYMS

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AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ARS	Agricultural Research Service
ASCS	Agricultural Stabilization and Conservation Service
CCC	Commodity Credit Corporation
CFO	Chief Financial Officer
CSRS	Cooperative State Research Service
ES	Extension Service
FAS	Foreign Agricultural Service
FCIC	Federal Crop Insurance Corporation
FGIS	Federal Grain Inspection Service
FmHA	Farmers Home Administration
FNS	Food and Nutrition Service
FS	Forest Service
FSIS	Food Safety and Inspection Service
FY	Fiscal Year
OFM	Office of Finance and Management
OIG	Office of Inspector General
OMB	Office of Management and Budget
OO	Office of Operations
RDA	Rural Development Administration
REA	Rural Electrification Administration
SCS	Soil Conservation Service
U.S.	United States
USDA	U.S. Department of Agriculture



# ***THE OIG MISSION***

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OIG was legislatively established in 1978 with the enactment of the Inspector General Act (Public Law 95-452). The act requires the Inspector General to independently and objectively

- perform audits and investigations of the Department's programs and operations,
- work with the Department's management team in activities that promote economy, efficiency, and effectiveness or that prevent and detect fraud and abuse in programs and operations, both within USDA and in non-Federal entities that receive USDA assistance, and
- report OIG activities to the Secretary and the U.S. Congress semiannually on March 31 and September 30 each year.

We accomplish this mission by

- investigating allegations of fraud and abuse,
- using preventive audit approaches, such as reviews of systems under development,
- conducting audits of the adequacy and vulnerability of management and program control systems, and
- auditing the adequacy of large USDA payments, such as insurance and deficiency payments, major loans, and retailer food stamp redemptions.

OIG is headquartered in Washington, D.C., and has regional offices located in Atlanta, Georgia; Chicago, Illinois; Hyattsville, Maryland; Kansas City, Missouri; New York, New York; San Francisco, California; and Temple, Texas. In addition, the Financial Management and ADP Audit Operations staff is located in Kansas City, Missouri.



We emphasize service to management at all levels of the Department by briefing senior Department officials on major audits and investigations. We also work proactively with agency managers, as part of a united team, by directly encouraging management input into the audit and investigative process to help solve difficult problems impacting program management and operations. As a member of the President’s Council on Integrity and Efficiency, we participate with other Inspectors General in multiagency projects where the issues are crosscutting and need to be addressed governmentwide.

## *AUDIT AND INVESTIGATIVE UNIVERSE*

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The audit and investigative universe comprises all programs, functions, and organizations and the contractors and grantees for which USDA is responsible. USDA’s FY 1995 proposed budget contains a broad agenda of budget programs to support its agencies and program operations. The annual program level, over \$90 billion, represents the value of benefits provided to the public by USDA. These benefits may be in the form of financial assistance through grants, guaranteed or direct loans, cost-sharing, professional services such as research or technical assistance, or in-kind benefits such as commodities.

USDA programs are delivered in every State, county, and city in the Nation by more than 108,000 Federal and thousands of non-Federal government employees. In addition, the Secretary of Agriculture has appointed agricultural ministers, attaches, and officers to 80 U.S. embassies, consulates, and trade offices covering over 100 countries. USDA is involved in extensive food quality and safety issues, food aid and assistance programs, market development activities, rural development initiatives, environmental and biotechnology issues, and a wide range of export promotion programs.

## *STRATEGIC PLANNING*

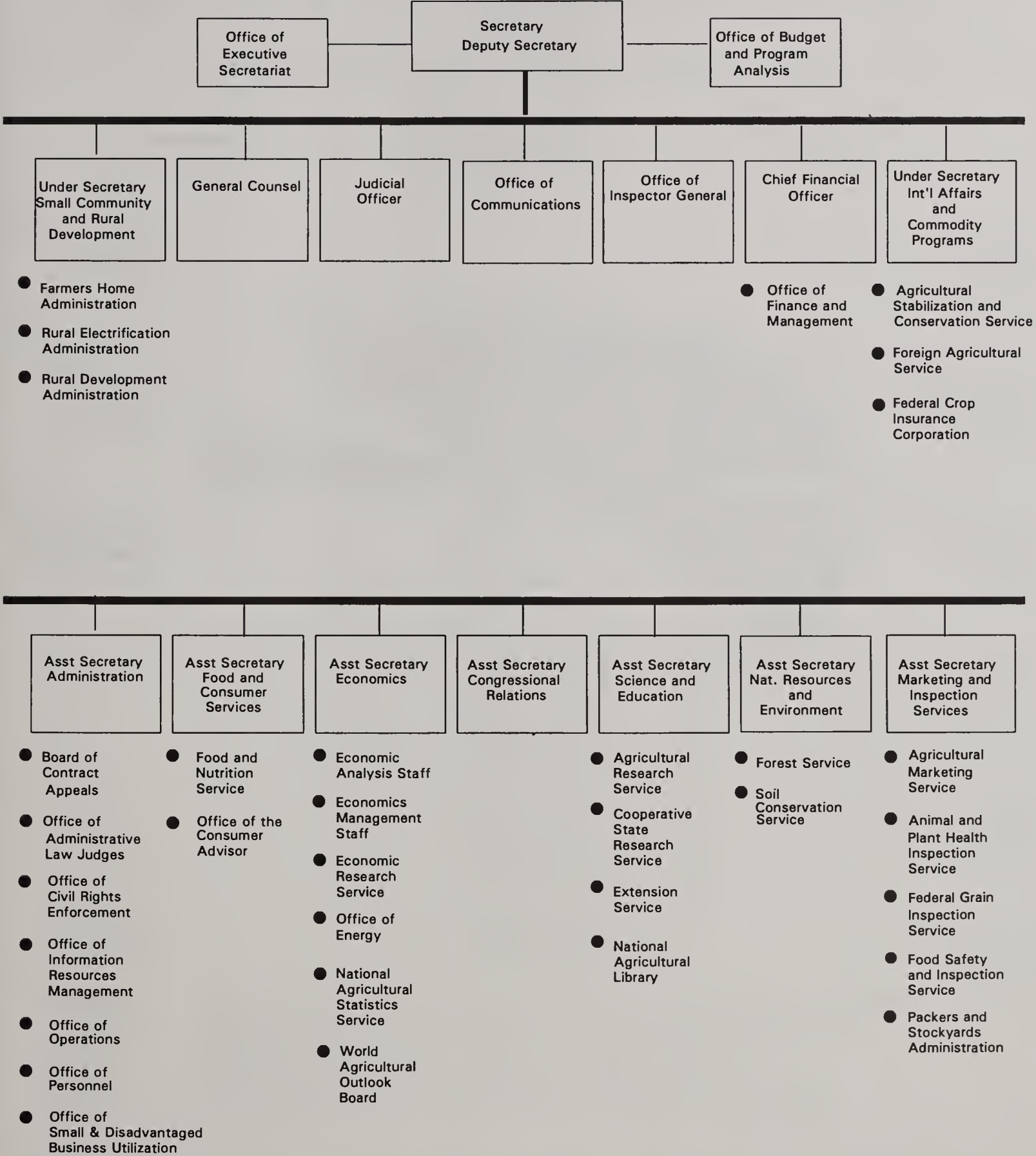
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Our strategic approach to planning and prioritizing audit and investigative activities enables us to focus our resources on those programs most vulnerable to fraud and abuse, or those where the largest dollar losses are most likely to occur. In each strategic area, we establish goals and plans for both short-term and long-term emphasis. We work closely with agency management to identify those areas where we could provide assistance in resolving difficult issues.

Descriptions of our strategies and examples of planned audit and investigative work within the strategies are described in more detail in appendix I. A description of major audits and a complete list of all audits planned can be found in appendices II and III.

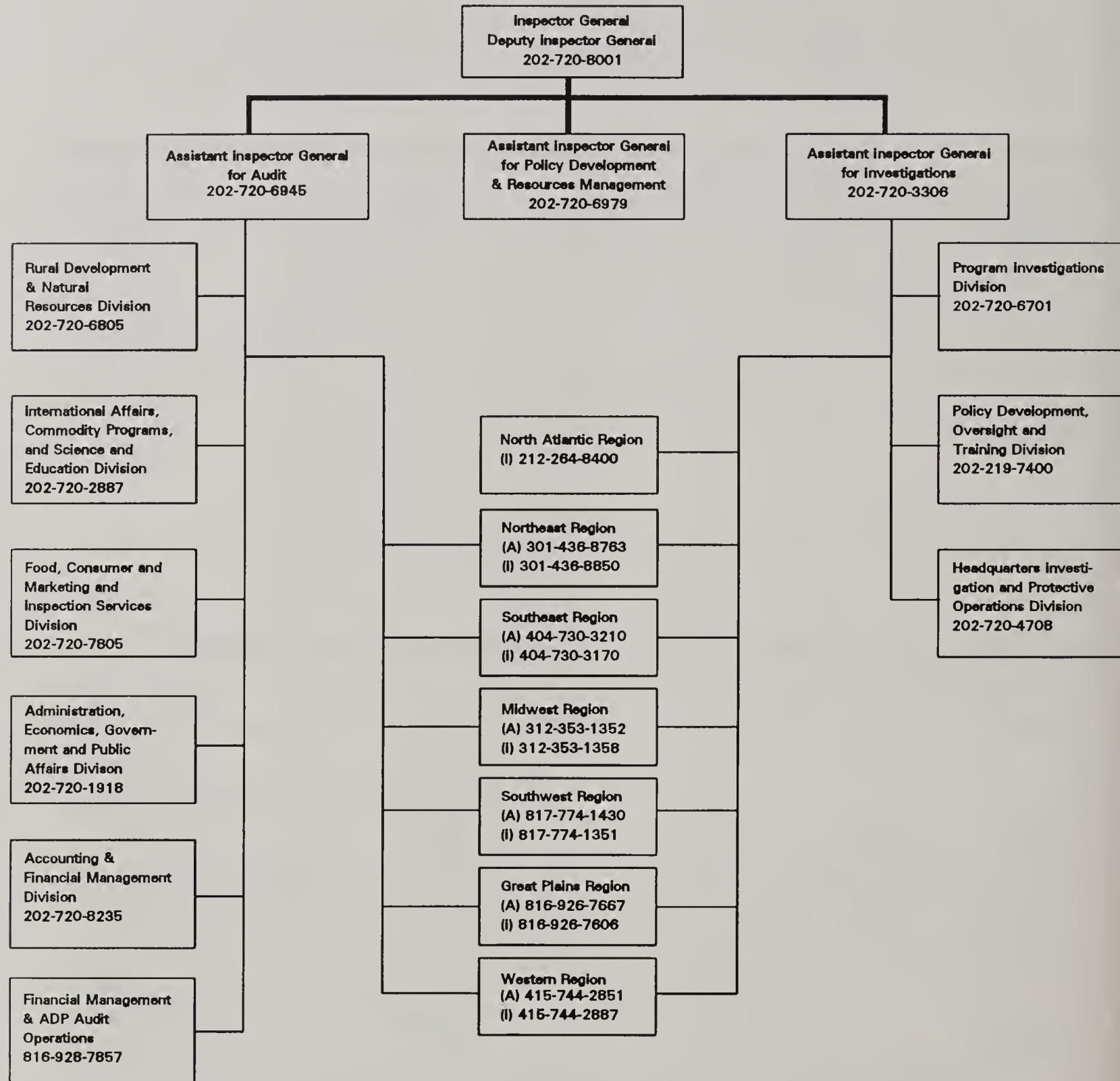
# USDA ORGANIZATIONAL CHART

As of August 1994



# OIG ORGANIZATIONAL CHART

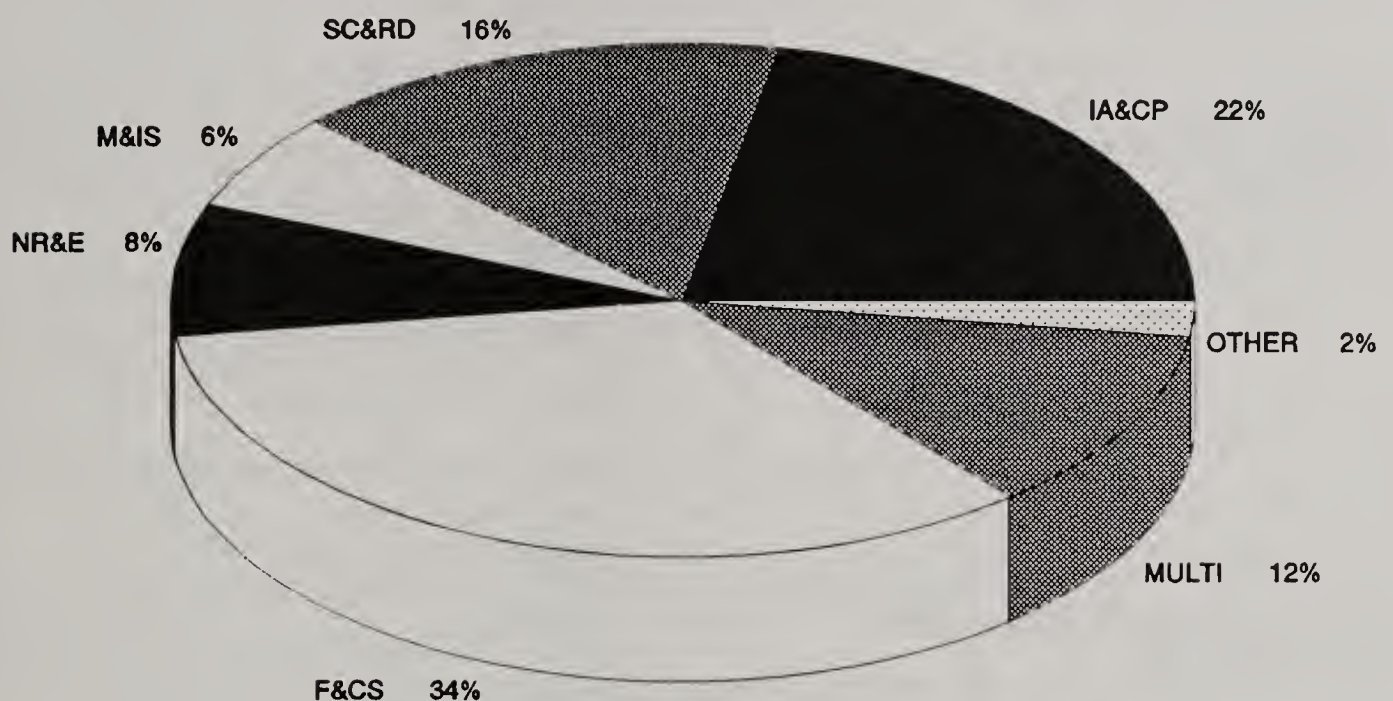
As of August 1994



OIG's mission is to conduct audits, investigations, and evaluations of USDA programs and operations to affect positive changes.



***FY 1995 ANNUAL PLAN  
DISTRIBUTION OF OIG RESOURCES  
BY UNDER AND ASSISTANT SECRETARIES***



**LEGEND**

IA&CP	Under Secretary, International Affairs and Commodity Programs
SC&RD	Under Secretary, Small Community and Rural Development
F&CS	Assistant Secretary, Food and Consumer Services
M&IS	Assistant Secretary, Marketing and Inspection Services
NR&E	Assistant Secretary, Natural Resources and Environment

**DISTRIBUTION OF OFFICE OF INSPECTOR GENERAL RESOURCES  
BY AGENCY  
FY 1995 PLANNED**

<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>	Agricultural Stabilization and Conservation Service	17%
	Foreign Agricultural Service	2%
	Federal Crop Insurance Corporation	3%
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>	Farmers Home Administration	15%
	Rural Electrification Administration	*
	Rural Development Administration	1%
<b>MARKETING AND INSPECTION SERVICES</b>	Agricultural Marketing Service	1%
	Animal and Plant Health Inspection Service	1%
	Federal Grain Inspection Service	*
	Food Safety and Inspection Service	4%
	Packers and Stockyards Administration	*
<b>NATURAL RESOURCES AND ENVIRONMENT</b>	Forest Service	8%
	Soil Conservation Service	*
<b>FOOD AND CONSUMER SERVICES</b>	Food and Nutrition Service	34%
<b>MULTIPLE AGENCY</b>		12%
<b>OTHER</b>	Administration, Economics, CFO, and Science & Education	2%
*Less than 1%		

# ***INVESTIGATIONS***

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Investigations are authorized inquiries to gather the facts needed to resolve an allegation that someone has violated a rule, regulation, or law pertaining to USDA programs or operations.

OIG Special Agents are criminal investigators who specialize in the investigation of white-collar crimes involving USDA programs. Each investigator receives initial training at the Federal Law Enforcement Training Center in Glynco, Georgia. Additional training in law enforcement procedures, investigative techniques, and USDA program regulations is provided throughout the career of the investigator.

## ***INVESTIGATIVE PLANNING***

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The investigative planning process focuses on identifying program vulnerabilities and investigative priorities, then establishes general guidelines for the allocation of our investigative resources. It includes an analysis of historical patterns, trends, and results; a review of recent legislative, regulatory, and program changes; consideration of U.S. Department of Justice prosecutive guidelines; consideration of budgetary and staffing restrictions; and coordination with audit activities. Through the investigative planning process, we have identified priorities that include the timely investigation of

- threats to the health and safety of the public,
- issues involving allegations of bribery, conflict of interest, embezzlement, theft, or collusion with program participants, and
- fraud in the loan, regulatory, and benefit programs.

In preparing our plan for FY 1995, we analyzed data on requests for investigation received in previous years, the number of cases opened, and the results of those investigations. We reviewed recent legislative, regulatory, and program changes, and contacted each agency within USDA for suggestions and recommendations. We also reviewed audit plans for FY 1995 and considered our budget and anticipated staffing. Based on these considerations, we developed general guidelines for emphasizing areas for investigation.



These guidelines will be reviewed during FY 1995 by our regional managers before they decide which referrals to take on as active cases. Additional criteria used to determine whether to initiate an investigation include the potential program impact, the likelihood of criminal prosecution, the likelihood of large civil monetary recovery, and the deterrent value.

The majority of the investigations are based on referrals from USDA agencies. Departmental Regulation 1710-2, "OIG/Investigations Organization and Operations," requires that USDA agencies expeditiously report known or suspected violations of law or regulations to OIG. Activities which must be reported to OIG include

- submission of false claims and false or fraudulent statements by employees, producers, vendors, contractors, borrowers, cooperators, and others,
- conspiracy to defraud the United States,
- theft, damage, or conversion of Government commodities or other property,
- concealment, removal, obliteration, falsification, forgery, alteration, or destruction of official documents,
- misappropriation or embezzlement of Government funds,
- bribery or attempted bribery of USDA employees,
- conflict of interest,
- violations of the Food Stamp Act or other statutes pertaining to USDA nutritional programs, and
- certain criminal violations of the Federal Meat Inspection Act, the Poultry Products Inspection Act, the Egg Products Inspection Act, the Agricultural Marketing Act, the Federal Grain Inspection Act, and other statutes pertaining to the wholesomeness and quality of food products.

## ***THE INVESTIGATIVE PROCESS***

The investigative process usually begins with the receipt of an allegation of fraud or mismanagement. Investigations are opened in OIG regional offices in accordance with priorities and general guidelines established at the headquarters level.

After an investigation is opened, it is assigned to a Special Agent who prepares a plan of investigation. This planning process includes a review of the criminal and civil statutes, program regulations, and departmental or agency policies that may be involved. The Special Agent then conducts the investigation, which may require interviewing witnesses, reviewing and analyzing records, obtaining physical evidence, and conducting surveillances and undercover operations. If the Special Agent determines that a crime may have been committed, he or she will discuss the investigation with a Federal and/or local prosecutor to determine if prosecution will be pursued. Upon completion of the investigation, the Special Agent prepares an investigative report summarizing the facts disclosed during the investigation.

The investigative report is distributed to prosecuting attorneys and agency officials who may have an official interest in the results of the investigation. If the prosecuting attorney decides to proceed with a criminal or civil prosecution, the Special Agent assists the attorney in any preparation for court proceedings that may be required. This assistance may include serving subpoenas, locating witnesses, executing arrest and search warrants, and testifying before a grand jury or at a trial.

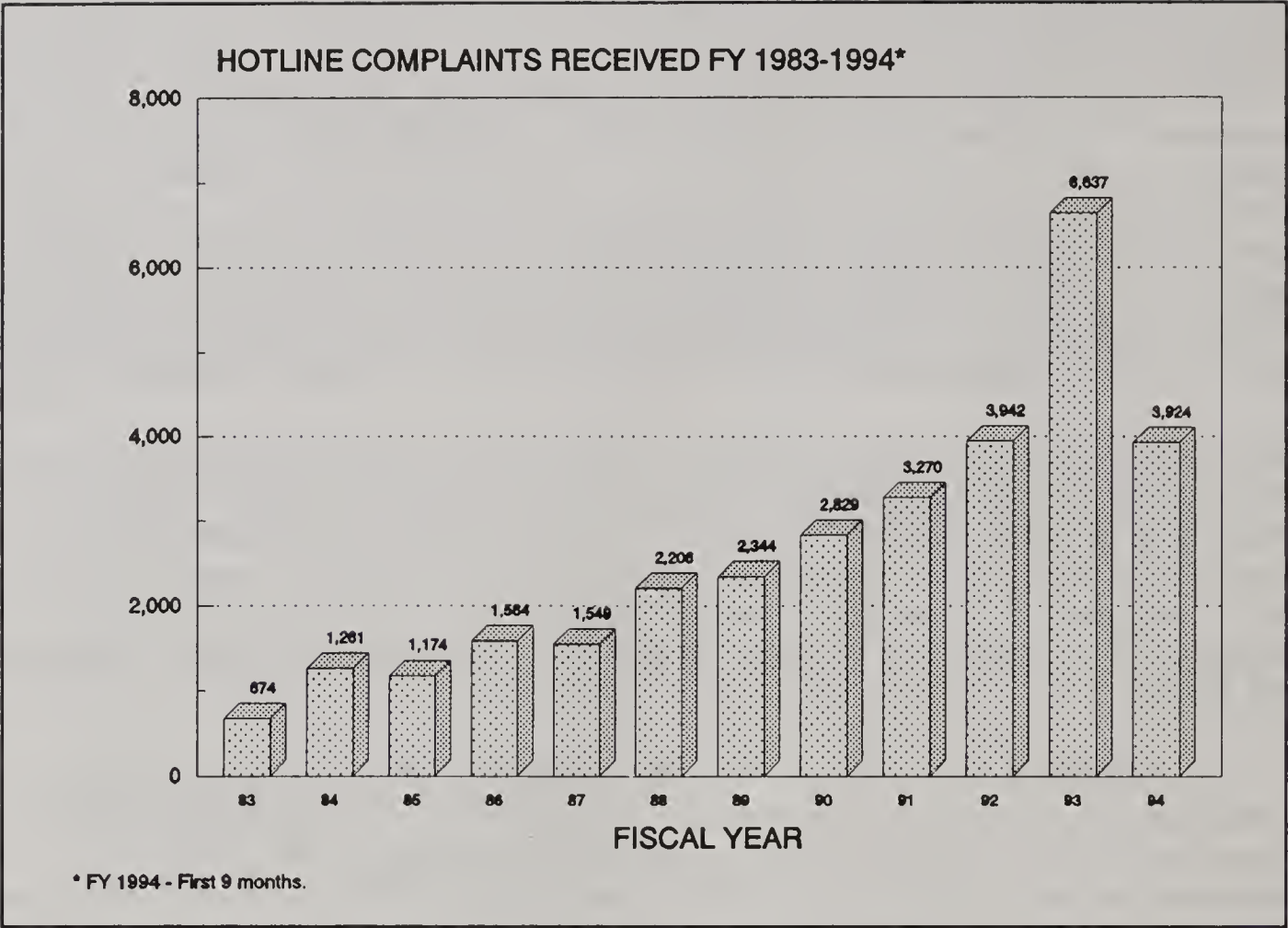
At the conclusion of any court actions, we advise the administrative agency involved of the court results and monitor any corrective or disciplinary action that may be taken by the agency. OIG collects data summarizing the court and administrative results of its investigations and includes this data in its semiannual report to the U.S. Congress.

## ***HOTLINE***

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Established under the provisions of the Inspector General Act of 1978, the OIG Hotline is operated in accordance with procedures recommended by the President's Council on Integrity and Efficiency. Allegations received through the Hotline may involve any agency, program, or employee of USDA. The U.S. Congress, the Executive Branch, and the public have come to expect and demand adequate Hotline systems to resolve complaints timely and appropriately. Significant audit findings and investigative results have been obtained based on information received through this critical function.

The number of Hotline complaints received, reviewed, processed, and resolved has increased from 674 in FY 1983 to 6,637 in FY 1993. In only the first 9 months of FY 1994, 3,942 complaints were received. The following graph depicts the growth in Hotline activity during this period.



The increased number of complaints has also resulted in a greater number of agency responses which must be reviewed and analyzed before making a decision about the need for further audit or investigative work. The operation of the Hotline presently requires seven full-time employees with additional support from seven other employees.

The OIG Hotline has a toll-free telephone number which anyone may call to report fraud, mismanagement, or waste in a USDA program or misconduct by a USDA employee. Callers may choose to remain anonymous or may request that OIG keep their identity confidential.



We have established three Hotline numbers for use by the public and departmental employees. These numbers can be called 24 hours a day. Complaint Analysts are on duty 8:00 a.m. to 4:30 p.m., Eastern Time, Monday through Friday. During non-duty hours, messages can be left on a recorder and are retrieved the following business day.



800-424-9121

This is a toll-free number to be used outside Washington, D.C.



202-690-1622

This number is to be used in the Washington, D.C. metropolitan area.



202-690-1202

This number connects to a telecommunications device for the hearing impaired.  
(NO TOLL FREE NUMBER, CALL COLLECT)

## ***SPECIAL REPORTING OF BRIBES OR GRATUITIES***

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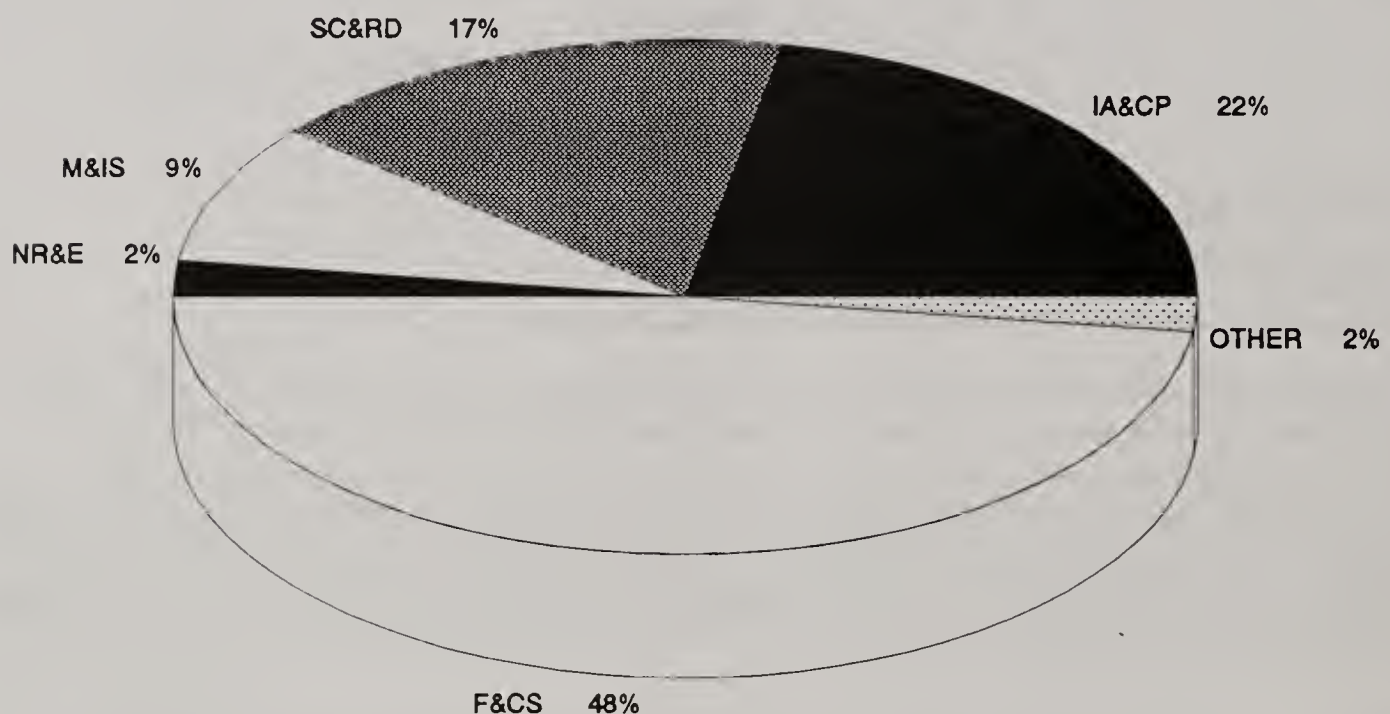
USDA employees serve as inspectors and graders of meat, poultry, dairy, eggs, and produce and also meet and deal with the public as loanmakers. These employees are occasionally subject to offers of bribes and gratuities to influence their official duties. USDA employees who receive such offers may contact OIG by calling the direct line indicated below. Special Agents respond 24 hours a day. Complainants may also write to the Office of Inspector General at P.O. Box 23399, Washington, D.C. 20026.



202-720-7257

This number is to be used by USDA employees to report offers of bribes or gratuities.

***FY 1995 ANNUAL PLAN  
DISTRIBUTION OF  
INVESTIGATIONS RESOURCES  
BY UNDER AND ASSISTANT SECRETARIES***



**LEGEND**

IA&CP	Under Secretary, International Affairs and Commodity Programs
SC&RD	Under Secretary, Small Community and Rural Development
F&CS	Assistant Secretary, Food and Consumer Services
M&IS	Assistant Secretary, Marketing and Inspection Services
NR&E	Assistant Secretary, Natural Resources and Environment



**DISTRIBUTION OF INVESTIGATIVE RESOURCES  
BY AGENCY  
FY 1995 PLANNED**

<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>	Agricultural Stabilization and Conservation Service	16%
	Foreign Agricultural Service	2%
	Federal Crop Insurance Corporation	4%
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>	Farmers Home Administration	17%
	Rural Electrification Administration	*
<b>MARKETING AND INSPECTION SERVICES</b>	Agricultural Marketing Service	1%
	Animal and Plant Health Inspection Service	2%
	Federal Grain Inspection Service	*
	Food Safety and Inspection Service	6%
<b>NATURAL RESOURCES AND ENVIRONMENT</b>	Forest Service	2%
	Soil Conservation Service	*
<b>FOOD AND CONSUMER SERVICES</b>	Food and Nutrition Service	48%
<b>OTHER</b>	Administration, Economics, and Science & Education	2%
*Less than 1%		

# AUDIT

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Audit is the examination and verification of the economy and efficiency of an agency's operations, its effectiveness in achieving program results, its compliance with applicable laws and regulations, and its fairness in reporting its financial operations. We also perform evaluations. An evaluation is a review, study, or analysis of USDA's programs or activities for the purpose of providing information to managers for decision making; for making recommendations for improvements to programs, policies, or procedures; and for administrative action. In addition to audits performed by OIG staff, we contract with certified public accountants for some audits and oversee the quality of the work of auditors under contract to other agencies of the Department.

OIG auditors conduct their work in accordance with the "Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (Yellow Book), published by the U.S. General Accounting Office, and in accordance with the professional standards set by the American Institute of Certified Public Accountants. We have established and implemented a program to ensure that our staff maintains professional proficiency through continuing education and training. Training directly related to the Government auditing environment is provided to newly hired, intermediate, and advanced level OIG auditors through in-house audit academies.

"Government Auditing Standards" describes the types of audits that Government and nongovernment organizations conduct and the audit standards to be followed. Government audits are classified as financial or performance audits.

**FINANCIAL AUDITS**

**Financial statement audits** determine whether the financial statements of an audited entity present fairly its financial position, results of operations, cash flows, and reconciliation of budget to actual expenses in accordance with generally accepted accounting principles; and whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

**Financial related audits** determine whether financial reports and related items, such as elements, accounts, or funds are fairly presented; whether financial information is presented in accordance with established or stated criteria; and whether the entity has adhered to specific financial compliance requirements.

## PERFORMANCE AUDITS

**Economy and efficiency audits** determine whether the entity is acquiring, protecting, and using its resources economically and efficiently; what the causes of any inefficiencies or uneconomical practices are; and whether the entity has complied with laws and regulations concerning matters of economy and efficiency.

**Program audits** determine whether the desired results or benefits established by the legislature or any other authorizing body are being achieved; whether the organizations, programs, activities, or functions are effective; and whether the entity has complied with laws and regulations applicable to the program.

## ***AUDIT PLANNING***

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Each year, we begin the planning process by updating our profiles of USDA programs and activities and by requesting audit suggestions from the Under and Assistant Secretaries, agency heads, and OIG staff. In prioritizing the suggestions for inclusion in the FY 1995 Annual Plan, we considered

- current and potential dollar magnitude,
- audit requirements established by law,
- statutory and regulatory requirements,
- adequacy of internal control systems,
- newness, changed conditions, or sensitivity of the organization, program activity, or function,
- extent of Federal participation in terms of resources or regulatory authority,
- management needs to be met,
- prior audit history,
- prior investigation history, and
- timeliness, reliability, scope, and results of audits or evaluations performed by others.



# THE AUDIT PROCESS

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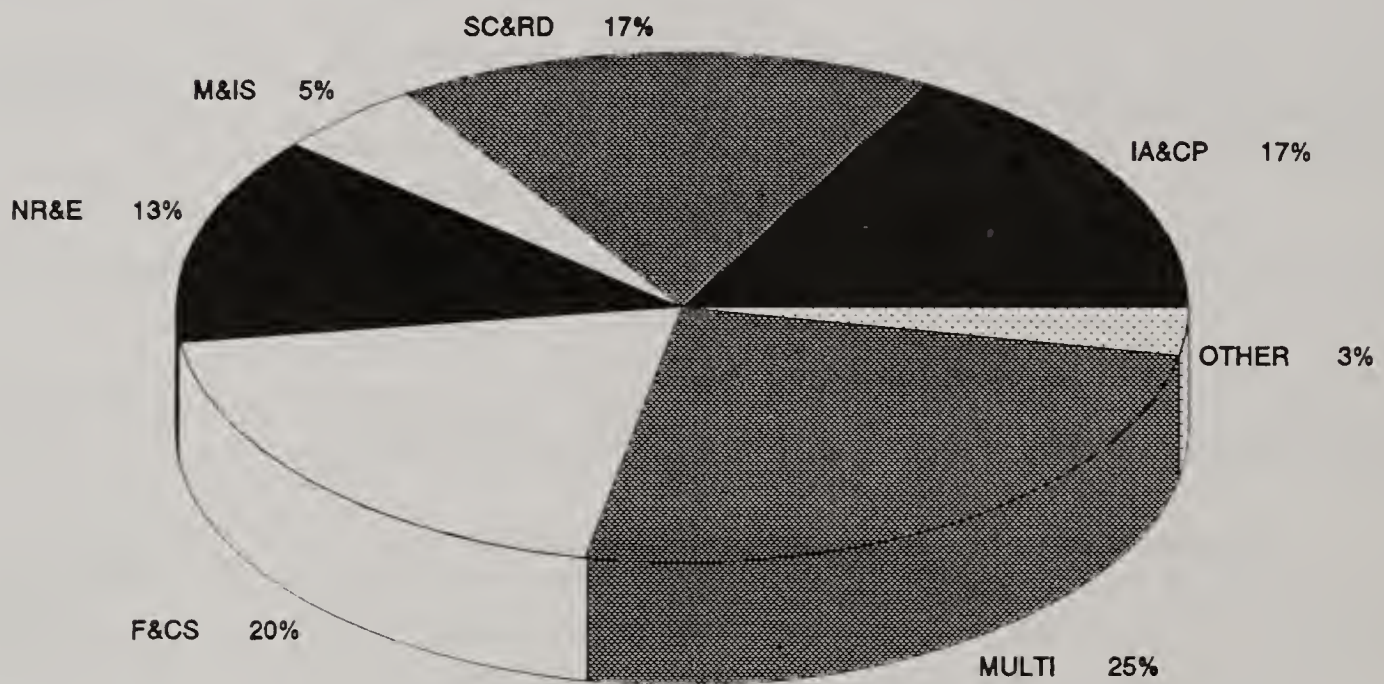
The phases of the audit process include the following

<b>Audit Approach</b>	Development of an audit approach includes determining the reasons for selecting the audit subject, overall audit objectives and scope, locations to be audited, OIG staff who will perform the audit, staff-days needed, other resources required (e.g., specialists with timber or banking expertise) to perform the audit, and benefits anticipated from the audit.
<b>Audit Notification</b>	Audit notification to the appropriate USDA agency or office informs auditees of our intent to begin an audit.
<b>Entrance Conference</b>	OIG staff hold entrance conferences with agency officials to discuss and obtain input on the purpose and objectives of the audit, its scope, and the general methodology and procedures to be followed.
<b>Survey Work</b>	Auditors perform survey work to gather information and identify problems.
<b>Field Audit Work</b>	Detailed audit testing and interviewing are undertaken if the survey indicates the need to learn more about conditions noted.
<b>Discussion Draft Report and Exit Conference</b>	At the conclusion of an audit, OIG holds a formal exit conference with the agency’s principal officials to review the audit results presented in a discussion draft report. This gives management an opportunity to confirm information, to ask questions, and to provide any necessary clarifying data.
<b>Official Draft Report</b>	After the exit conference, OIG makes necessary changes to the draft report and presents it as an official draft report to the agency for final written comments. The agency is generally given 30 days to respond to the official draft report.
<b>Final Report</b>	OIG prepares and issues a final report which contains the agency’s written response.

**Management  
Decision and  
Final Action**

A management decision (agreement to take action on an audit recommendation) must be reached on all report recommendations within 6 months of issuance of the report. OIG tracks management’s actions through the management decision; the Office of Finance and Management (OFM) tracks actions from the management decision to completion of final action. The status of management decisions is included in OIG’s semiannual report to the U.S. Congress. The status of final actions, including those not completed within 1 year of the management decision, is reported in the Secretary’s semiannual report to the U.S. Congress.

***FY 1995 ANNUAL PLAN  
DISTRIBUTION OF AUDIT RESOURCES  
BY UNDER AND ASSISTANT SECRETARIES***



**LEGEND**

IA&CP	Under Secretary, International Affairs and Commodity Programs
SC&RD	Under Secretary, Small Community and Rural Development
F&CS	Assistant Secretary, Food and Consumer Services
M&IS	Assistant Secretary, Marketing and Inspection Services
NR&E	Assistant Secretary, Natural Resources and Environment



**DISTRIBUTION OF AUDIT RESOURCES  
BY AGENCY  
FY 1995 PLANNED**

<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>	Agricultural Stabilization and Conservation Service	13%
	Foreign Agricultural Service	2%
	Federal Crop Insurance Corporation	2%
<b>SMALL COMMUNITY AND RURAL DEVELOPMENT</b>	Farmers Home Administration	13%
	Rural Electrification Administration	1%
	Rural Development Administration	3%
<b>MARKETING AND INSPECTION SERVICES</b>	Agricultural Marketing Service	1%
	Animal and Plant Health Inspection Service	1%
	Packers and Stockyards Administration	1%
	Food Safety and Inspection Service	2%
<b>NATURAL RESOURCES AND ENVIRONMENT</b>	Forest Service	13%
	Soil Conservation Service	*
<b>FOOD AND CONSUMER SERVICES</b>	Food and Nutrition Service	20%
<b>MULTIPLE AGENCY</b>		25%
<b>OTHER</b>	Administration, Economics, CFO, and Science & Education	3%
*Less than 1%		





***APPENDIX I***  
***OIG STRATEGIES***



## ***OIG STRATEGIES***

---

The FY 1995 Strategies are:

- FARM PROGRAMS
- MARKET DEVELOPMENT
- DIRECT AND INSURED LOANS
- GUARANTEED LOANS
- RURAL DEVELOPMENT
- INSURANCE
- ENTITLEMENT PROGRAMS
- CONSUMER PROTECTION
- FOREST SERVICE
- MANAGEMENT/CONTROL OF ENVIRONMENTAL HAZARDS
- RESEARCH AND TECHNOLOGY TRANSFER
- PROCUREMENT AND CONTRACTS
- ACCOUNTING AND FINANCIAL MANAGEMENT
- INFORMATION RESOURCES MANAGEMENT
- EMPLOYEE INTEGRITY
- PROGRAM COMPLIANCE, ECONOMY, AND EFFICIENCY

Descriptions of the strategies, with examples of audit and investigative work recently performed and planned for FY 1995, are presented on the following pages.

## ***FARM PROGRAMS***

The Farm Programs strategy encompasses a variety of farm commodity and conservation programs administered by the Agricultural Stabilization and Conservation Service (ASCS). The programs are funded primarily through the Commodity Credit Corporation (CCC), a Government entity for which ASCS provides operating personnel. The principal activities of ASCS/CCC included in this strategy are the administration and management of the price support, production adjustment, conservation, emergency assistance, and warehouse examination programs, estimated at about \$15 billion for FY 1994.

The \$15 billion estimated for FY 1994 does not include an amount for disaster assistance. However, the disaster assistance programs have resulted in substantial outlays in the last few fiscal years. Between 1991 and 1993 over \$3.5 billion was authorized for eligible crop losses associated with natural disasters, such as Hurricanes Andrew and Iniki, Typhoon Omar, and the major widespread flooding in the midwest. Disaster assistance is a major topic of discussion in the U.S. Congress, which is currently debating the 1995 Farm Bill and the Federal Crop Insurance reform.

### **AUDIT**

Our strategy is designed to ensure overall program integrity, prevent and detect program losses, provide a visible audit presence, ensure program objectives are being accomplished, and assist program managers to find solutions for known or potential program weaknesses. Emphasis on farm programs is needed because of the significance of prior audit findings, the expansion and revision of major program areas, the magnitude of funding legislated by the 1990 Farm Bill and disaster appropriations, and the extensive amount of field office involvement in administration of ASCS programs.

Our FY 1994 audits continued to find problems with the ASCS payment limitation rules and abuse of the rules by producers. We also established a task force to assist ASCS management in their response to the natural disasters that occurred in 1993. Our work, which continues, helped management identify significant weaknesses at the outset of program operations. We reported that producers received excessive disaster payments by not reporting all harvested production, not following recommended farming practices, and incorrectly reporting crop share or

risk of loss. We also found that the rice and cotton marketing loan programs could be operated at a much lower cost to the Department. These and other OIG audits have identified the need for improvement to some internal control processes within ASCS, and problems with producers submitting false or misleading information to ASCS for program payment purposes.

Among the major audits of ASCS planned for FY 1995 are audits of disaster assistance payments, county office operations, grain inventories, peanut handlers who produce their own peanuts, wetland reserves, and financial statements.

INVESTIGATIONS

The major emphasis of our Farm Programs investigative strategy has been to investigate allegations of fraud. Our regional offices maintain a close working relationship with State ASCS offices to ensure timely referral of investigative matters and create an understanding of ASCS' priorities, resources, and needs. Headquarters informs the regional offices of impending program changes, develops national guidelines for referral of investigative matters, and brings to the attention of top agency managers any program provisions that allow a potential for abuse.

Our decision to open a particular investigation is based on several factors, including the likelihood of criminal prosecution or large civil monetary recovery. We determine this in consultation with the appropriate U.S. attorney's office and representatives of the Office of the General Counsel. The deterrent value of the Government bringing court actions against a producer also influences the decision whether to open a case. Matters which are not investigated are referred back to ASCS for appropriate administrative action. The agency also has the option of resubmitting a request for an investigation based on additional or updated information.

Our major concerns in ASCS programs have traditionally been conversion of farm-stored commodities securing CCC loans, false statements by commodities producers, and fraud by warehouses. We anticipate the number of referrals for investigation by ASCS to remain constant. Therefore, we have planned to expend approximately the same number of investigative workdays devoted to these investigations as in the prior year (15.5 percent in FY 1994 and 16 percent in FY 1995).



## ***MARKET DEVELOPMENT***

This strategy covers the Department's broad mission of selling agricultural commodities with the purpose of increasing farm income. Legislative goals require that there be full agricultural production at competitive prices, full assurance of quality, reliability of supply, profitable returns to the producer, and an orderly marketing process.

USDA has designed program delivery that involve subsidies, credit guarantees, long-term loans, magazines and reports, advertising, trade negotiations, quality standards, market regulation, grants and cooperative agreements, trade fairs, and international conferences. Agricultural trade offices make potential foreign customers aware of our farm products. To carry out these diverse programs, USDA works with State and foreign governments, producer groups, nonprofit commodity groups, agricultural processors, exporters, land grant colleges, county extension agents, and individual producers. Export promotion includes business counseling, training, market research information, trade missions and fairs, and export finance and assistance.

### **AUDIT**

Our strategy is to evaluate the reasonableness of the Foreign Agricultural Service's (FAS) marketing goals; review the usefulness and implementation of the USDA agricultural trade strategies; evaluate the established marketing performance measures; survey USDA market development functions to obtain an up-to-date inventory of activities, funding sources, recent accomplishments and internal control systems; and audit the Food Aid Donation and Market Promotion Programs.

During 1994 we audited a portion of the Market Promotion Program, and the ocean shipping and debt forgiveness provisions of Public Law 480 Title I Program. We also reviewed food aid assistance to Poland and the newly independent states of the former Soviet Union. We evaluated controls over the commodities, from the time CCC procured them, through the transportation, storage, sales, reporting and accountability cycles. We also began evaluating the internal control systems related to FAS overseas offices.

At the request of FAS, in FY 1995 we plan to review how the technical assistance provided to emerging democracies is working and how the Public Law 480 Title I Program can be improved. OIG will also evaluate international cooperation and development activities in USDA, market development export activities within the

Animal and Plant Health Inspection Service, and the system that FAS uses to evaluate the credit worthiness of importing countries scheduled to participate in the Export Credit Guarantee Program.

INVESTIGATIONS

We are awaiting prosecutive action on several matters previously investigated and reported. We are also hoping to finalize investigative actions on several significant investigations involving FAS. Based on these considerations, we anticipate that available staff workdays devoted to FAS cases will remain the same as the previous year, at 2 percent for FY 1995.

## ***DIRECT AND INSURED LOANS***

The two major direct and insured loan lenders in USDA are the Farmers Home Administration (FmHA) and the Rural Electrification Administration (REA). FmHA provides credit assistance through direct loans for farmer programs (operating, ownership, emergency, and other loans) and housing programs (single and multifamily housing loans). FmHA furnishes a variety of loans to farmers, secured by real estate, machinery, crops, or livestock; it also furnishes housing loans to individuals and real estate developers in rural areas. REA makes insured loans to rural electric cooperatives and rural telephone cooperatives and companies.

### **AUDIT**

Our Direct and Insured Loans strategy includes a review of FmHA's efforts to implement provisions of the Food, Agriculture, Conservation and Trade (FACT) Act of 1990, and the Agricultural Credit Act of 1992. We will continue to focus on FmHA's Rural Rental Housing Program (RRH), specifically loan making and loan servicing, construction, and property management. For REA, the Direct and Insured Loans strategy emphasizes loan making, loan servicing, and rate determinations.

In FY 1994 our audits identified problems in RRH project management: unsupported and unallowable costs were charged to projects; improper charges were made by subcontractors who also owned the projects; reserve and tenant security deposit funds were misused; and audits performed by independent auditors were inadequate. We also found that some projects had physically deteriorated. In the Limited Resource Loan Program, FmHA charged lower interest rates to ineligible farmers, costing the Government about \$31.9 million in unnecessary interest. Our review of farmer program loan applications found errors or incomplete data that will result in borrowers receiving unauthorized benefits totaling an estimated \$73.3 million.

The FY 1995 plan reflects our continued emphasis in the RRH program to include a follow up on construction activities and a review of rehabilitation loans. In farmer programs, we will review the feasibility of applicant's operations and the management of the large loan portfolio. For REA, we plan to evaluate investments by REA's Telephone Program borrowers.



## INVESTIGATIONS

Our strategy in FmHA farm loans is similar to our Farm Programs strategy. Our regional offices maintain close coordination with FmHA State offices to ensure clear communication and prompt referral of investigative matters. Decisions to open cases are usually based on the likelihood of criminal prosecution or large civil monetary recovery. Matters not meeting that criteria are sent back to FmHA for appropriate administrative action.

In coordination with FmHA officials, a nationwide FmHA policy has been developed to ensure only those matters with a strong potential for investigation or prosecution are referred to OIG. We believe this will have the effect of increasing the speed with which FmHA can pursue administrative or judicial remedies to resolve problem loans.

The greatest number of loan fraud investigations involve either unauthorized disposition of property mortgaged to the Government, or false statements by borrowers in order to obtain more or greater dollar-value loans or debt writedowns than those to which they are actually entitled. Use of rigorous selection criteria for opening investigations is expected to maximize the anticipated results from those cases we investigate while reducing the likelihood of expending our resources on cases with less potential benefit.

We continue to investigate allegations of fraud in FmHA's Rural Housing (RH) and RRH Programs. RH fraud typically involves the borrower's failure to accurately report household income or composition or both. RRH fraud investigated during FY 1994 primarily involved housing project managers' theft or misuse of reserve accounts, falsification of records of tenants or occupancy, and "layering" of management functions and costs in order to siphon off money without justification.

We plan to devote to FmHA programs approximately 17 percent of FY 1995 investigative workdays, which is a slight increase as compared to the first three-quarters of FY 1994 (15.8 percent).

Most of our REA investigations have focused on borrowers who embezzled or diverted loan funds or who inflated costs in order to receive additional loans. Each year we open relatively few cases based on REA referrals, and we expect the percentage of investigative staff days devoted to REA investigations to remain at approximately 1 percent in FY 1995.

Both investigative and audit staff are coordinating with REA officials on revisions to procedures for referring matters to OIG for possible investigation. The purpose of these revisions are to make referrals more timely and to reduce the number of referrals which have no potential interest and therefore are routinely declined for investigation by OIG.

## ***GUARANTEED LOANS***

For guaranteed loans, funds are supplied directly to borrowers by commercial lenders, with FmHA minimizing the lender's risk. FmHA agrees to reimburse the lending institution for a specified percentage (up to 90 percent) of any loss it may incur if the borrower defaults on the loans. The Food Security Act of 1985 mandated the shift from direct farm loans to loan guarantees by decreasing authorizations for direct loans and increasing authorizations for guaranteed loans. REA's Guaranteed Loan Program was established in 1973 and authorized REA to guarantee loans made by the Federal Financing Bank (FFB) of the U.S. Treasury to generation and transmission cooperatives. The Omnibus Budget Reconciliation Act of 1990 created a new 90-percent guaranteed loan program for distribution borrowers. This program is also financed by the FFB.

### **AUDIT**

Our Guaranteed Loans strategy focuses on loan making, loan servicing, and loan termination. Lenders are responsible for servicing a guaranteed loan and protecting loan collateral, and FmHA county supervisors are responsible for monitoring the loan to ensure that the required servicing takes place. Therefore, reviews of guaranteed loans are particularly complex because the actions of the USDA agency, the private lender, and the borrower must be assessed.

After identifying internal control weaknesses in a 1993 survey, OIG performed additional audits in FY 1994 to assess the appropriateness of FmHA's payments to lenders for losses sustained as a result of restructuring guaranteed loans. The audits identified erroneous payments for 89 percent of the borrowers reviewed.

In FY 1995 we will review the quality of appraisals obtained by private lending institutions for various guarantee loan programs, the Certified Lender Program, and the adequacy of cash-flow analyses performed by lenders for both the application for and restructuring of farmer program guaranteed loans.

## ***RURAL DEVELOPMENT***

The Rural Development Administration (RDA) provides financial and technical assistance to rural communities concerning water and waste disposal, essential community facilities, other community services, and business financing. These programs include the Nonprofit National Corporation Loan and Grant Program, the Industrial Development Grant Program, the Intermediary Re-lending Program, and the Business and Industry (B&I) Loan Program. REA borrowers are eligible for funds under the Rural Economic Development Loan and Grant Program for the purpose of promoting rural economic development and job creation projects. REA electric borrowers are also permitted to invest their own funds and make loans and guarantees of up to 15 percent of their total utility plant without obtaining prior approval of the REA Administrator. Borrowers are encouraged to utilize these funds in a rural development activity.

### **AUDIT**

Our audit strategy is to focus on RDA's management of programs and the adequacy of controls over loan making and loan servicing.

We reviewed guaranteed loans in the B&I Program during FY 1994 to assist RDA officials in identifying problem borrowers early and preventing avoidable losses. This effort will continue into FY 1995.

In FY 1995 we will review the adequacy of RDA's loan making and loan servicing procedures over community facility and water and waste loans and grants. We will also evaluate RDA's efforts to graduate financially strong borrowers. In REA, we plan to conduct a review of the Rural Economic Development Loan and Grant Program.



## ***INSURANCE***

The Federal Crop Insurance Corporation (FCIC) is a wholly-owned Government corporation created to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance. FCIC was created by the Federal Crop Insurance Act of 1938 to directly insure selected crops in certain counties. The 1980 amendment to the act substantially revised the crop insurance program by expanding the coverage, authorizing the use of private sector insurance companies to sell and service policies, increasing insurance coverage, and providing for a reinsurance program. Effective with crop year 1994, all premiums written are private insurance policies, sold by private sector insurance companies and reinsured by FCIC. Under the standard multiple peril crop insurance policy, FCIC's risk of loss commences prior to the time the crop is to be planted, and continues through the growing season until the crop is harvested, destroyed, removed from the field, or cured.

Under the Federal Crop Insurance Act amendment of 1980, premium rates were to be set so that, over time, the subsidized premium would be sufficient to cover indemnity costs and provide for a reserve. Although the program was to be actuarially sound, indemnity claims have exceeded premiums every year. The U.S. Congress is considering passage of the Federal Crop Insurance Reform Act of 1994. If enacted, this legislation will dramatically change many of the standards of crop insurance. FCIC management anticipates that over 80 percent of the insurable acres nationwide will participate in crop insurance.

### **AUDIT**

Our strategy targets program areas most susceptible to fraud and abuse, or otherwise in need of improvement. Our audits focus on whether FCIC is meeting its program objectives. Our long-range plan includes a determination of whether FCIC is in compliance with the current Farm Bill provisions and the Blueprint for Financial Soundness, and an evaluation of the mission, structure and functions of the Office of Assistant Manager for Research and Development.

In 1994 we reviewed the crop year 1993 loss adjustment process by determining whether indemnities were correctly paid on claims and whether liabilities were correctly established. Much of our resources were devoted to addressing allegations of widespread program abuse - a direct result of the extraordinary growing conditions during crop year 1993.



We have several audits planned for FY 1995 that will address the implementation of a data base of taxpayer identification numbers, identification of actual production history yields, loss adjustment practices, and the cross-compliance activities involving FCIC and ASCS compliance staffs.

INVESTIGATIONS

Our strategy in FCIC investigations is to continue working closely with the FCIC compliance division to ensure the timely referral of matters of interest to OIG and to strengthen the effectiveness of the compliance unit. We will devote 4 percent of our resources in FY 1995, the same as in FY 1994.

## ***ENTITLEMENT PROGRAMS***

The Food and Nutrition Service (FNS) administers the Department's food assistance programs, which includes the Food Stamp Program (FSP); the Child Nutrition Programs (CNP); and the Supplemental Food Program for Women, Infants and Children (WIC). These three major entitlement programs will account for approximately \$36.8 billion in expected expenditures in FY 1995. All of these programs are administered by the States through agreements with FNS. The States, in turn, negotiate with county and project offices to deliver program benefits.

### **AUDIT**

Our audit strategy is to focus on FNS' overall administration of the programs, especially the FSP, and the adequacy of controls and systems FNS has in place to manage the programs. We will also build upon audits performed under the Single Audit Act (Office of Management and Budget (OMB) Circulars A-133 and A-128).

In FY 1994 our audits focused primarily on the FSP since it is the largest of the entitlement programs. We reviewed the Electronic Benefit Transfer (EBT) System in the State of Maryland to evaluate system controls. We also reviewed the distribution of food coupons through direct mail issuance to assess controls to reduce vulnerability to theft and embezzlement. In addition, we audited the Emergency Food Stamp (EFS) Program after the earthquake in Los Angeles, California. We concluded that FNS, the State of California, and Los Angeles County staffs, working together, achieved the objectives of the EFS program while working under difficult circumstances.

We evaluated procurement practices in the National School Lunch Program (NSLP). Our review at one school authority found noncompliance with Federal procurement standards which restricted competition. We assisted the U.S. Department of Justice in conducting an inquiry into possible collusive bidding on school milk contracts at several school districts.

Since FNS programs have large cash outlays, the potential exists for fraud and large dollar losses. In FY 1995 we will continue to emphasize audits of FNS programs, particularly the FSP, to ensure that critical internal control checks are in place. These checks must be in place to ensure that the programs operate in the most efficient, effective, and economical manner possible. With EBT expansions planned over the remainder of the decade, we will be working closely with FNS to

assure that the EBT systems have sufficient controls to provide benefits and that the data base used to operate EBT is used to identify problem retailers and participants. We also began several audits this fiscal year that will be completed during FY 1995. These audits include the FSP certification periods, FSP vendor disqualification (including WIC vendors), and the FSP redemption accountability programs.

In the NSLP we are continuing our focus on procurement issues. In addition, we will review food service management companies and State administrative expense funds.

INVESTIGATIONS

Our FSP investigations have typically focused on two activities: (1) fraud perpetrated by retail grocery store owners and employees who are authorized to accept food stamps, and (2) "trafficking." Trafficking is the unauthorized exchange of food stamps for cash, drugs, property, and other nonfood items and the use of food stamps as a convenient medium of exchange (i.e., as a "second currency") by persons not authorized to participate in the FSP. In FY 1995 we expect to continue to expend a considerable amount of investigative resources in these two areas.

With the expansion of the EBT, we expect to increase the amount of investigative resources devoted to investigating entities authorized to redeem FSP benefits through EBT systems.

In order to maximize the effectiveness of these investigations and improve our intelligence-gathering capabilities, we will continue to work closely with the FNS compliance staff in cases involving authorized retailers. We will continue to work with other Federal, State, and local law enforcement agencies in cases involving trafficking.

During the first three-quarters of FY 1994, we expended 49 percent of our investigative resources on FNS programs, primarily in the FSP. In FY 1995 we plan to use approximately 48 percent of staff workdays on FNS programs.

During the last several years, we have been working with the Antitrust Division, U.S. Department of Justice, in its ongoing prosecutions of corporations and individuals for collusive bidding on school milk contracts. To date, our work has resulted in 18 convictions and over \$13.5 million in monetary results. We expect our work in this area to continue into FY 1995.



## ***CONSUMER PROTECTION***

Consumer protection activities within the Department include those activities designed to ensure that the food the consumer eats is safe and properly labeled and graded, and that the Nation's plant and animal resources are safeguarded. These activities are performed by the Food Safety and Inspection Service (FSIS), the Agricultural Marketing Service (AMS), the Federal Grain Inspection Service (FGIS), the Animal and Plant Health Inspection Service (APHIS), and the Packers and Stockyards Administration. They include in-plant inspections of all domestic establishments preparing meat and poultry products for sale or distribution; review of foreign inspection systems and establishments; inspection and quarantine of animals and plants at U.S. ports-of-entry; control of agricultural losses caused by predatory animals; developing standards for licensing and testing veterinary biologics; establishing grading standards for eggs, tobacco, livestock, dairy, poultry, fruits, vegetables, and grain; and performing weighing and inspection services to ensure the standards are met. The public depends upon these agencies to ensure a safe food supply; farmers depend upon these agencies to protect agricultural resources and maintain consumer confidence in the market for their products.

### **AUDIT**

Food safety and quality issues have received considerable attention over the last few years. In addition, increased foreign trade has become a key economic objective. Our strategy is to assess management control systems which assure that the Department is effectively protecting both the consumer and the agricultural resources of the Nation. Our strategy focuses on the intensified activities in food safety to identify and implement new meat and poultry inspection technologies.

Our FY 1994 plan included an audit of microbiological safety in FSIS, as well as audits of the quality control program and State inspection programs. We also reviewed administrative aspects of the AMS Pesticide Data and Recordkeeping Programs, as well as AMS dairy grading and inspection activities.

In addition, we continued to work with AMS in developing compliance requirements for marketing order administrative committees. Most recently we have been working on an audit program for the committees and we will work with AMS in FY 1995 to assist them in developing an audit program for the shipping point inspections of fruit and vegetables.



We will also continue to follow up on our previous audits of APHIS' implementation of the Animal Welfare Act. Other APHIS audits will include the continuation of two audits begun in FY 1994, the international programs, and the traceback of salmonella enteritidis. In FSIS we will continue our work assessing the steps that the agency is taking to overhaul the meat and poultry inspection system.

INVESTIGATIONS

Investigations into threats to the health and safety of the public remain our highest priority. When threats to public health are identified, such as allegations of tampering with products regulated by the Department, we immediately begin work as part of a team of agencies to determine the extent of the problem, identify its cause, take corrective action, and seek criminal prosecution, if appropriate.

On a daily basis, we coordinate with other agencies to guard against deliberate criminal acts that endanger public health and safety or cause economic harm to the public through misrepresentation of the quality of agricultural products. To carry out this function, we maintain formal agreements with AMS, FSIS, FGIS, and APHIS, as well as the regulatory division of the Office of the General Counsel.

**Food and Consumer Products**

We continue to be concerned both about health and safety cases (i.e, those involving potential sale or movement in interstate commerce of uninspected or adulterated product) and about economic impact cases (i.e., those involving potentially mislabeled, misrepresented, or substandard products offered for sale or moving in interstate commerce.) Our commitment of investigative resources to these types of investigations (AMS and FSIS combined) is expected to increase slightly, from 6 percent in FY 1994 to 7 percent in FY 1995.

**Animal and Plant Health Protection**

We expect the percentage of staff workdays allocated to APHIS investigations to remain stable at 2 percent in FY 1995.

## ***FOREST SERVICE***

The Forest Service (FS) is responsible for applying sound conservation practices to the natural resources of the national forests and grasslands. The national forest system covers 191 million acres of public lands and is administered by the FS through 9 regional offices, 156 national forests, 617 ranger district offices, and 19 national grasslands located in 44 States, Puerto Rico, and the Virgin Islands. FS operational activities are numerous and diverse, encompassing the management of timber sales, fish and wildlife habitat enhancement, recreational sites, firefighting and protection, cooperation with State and local government and private forest landowners, and forest and rangeland research. The FS' FY 1995 budget is estimated at \$3.2 billion, and timber sales and other receipts are estimated to be about \$1.3 billion.

### **AUDIT**

Our audit strategy concentrates on timber administration, including the sales process, timber theft, contract administration, and the bidding and payment process. We will also give emphasis to State and private forestry, minerals management, construction, and recreation.

In FY 1994 our audits covered influence of interest groups on timber sales management, airtanker contracting procedures, cost effectiveness of owning and operating aircraft, special permits for ski areas, land purchases, and maintenance of developed recreation sites.

For FY 1995 we have planned audits of FS timber sale analysis and clear cut policy, as well as timber sale contract initiatives. We also plan to audit international forestry, the Pacific Northwest Forest Plan, and firefighting administration. Additional audit efforts are planned in the areas of ski area fees, summer resort concessions, State and private forestry grants, and the Recreation Homes Program.

### **INVESTIGATIONS**

In this strategy, we intend to investigate cases involving theft of Government property as well as cases involving the FS' contracting for goods and services. We expect our efforts in the FS to remain at 2 percent in FY 1995, the same as in FY 1994.

## ***MANAGEMENT/CONTROL OF ENVIRONMENTAL HAZARDS***

This strategy brings together a wide range of agency programs and operations under a general concern for the protection of the environment and the abatement of any environmental hazards that result from practices in agriculture and forestry. It is estimated that in FY 1995, the USDA appropriation for environmental activities covered by this strategy will exceed \$250 million.

Agencies of the Federal Government are required to identify and remedy their noncompliance with Federal, State, and local standards for environmental quality. Noncompliance could include pollution from noise, pesticides, chemicals, and toxic and radioactive wastes. USDA operates over 21,000 buildings at more than 15,000 locations and controls nearly 193 million acres of land. Violations of Federal or State standards at Government-owned or operated facilities subject agencies to legal and administrative actions which may result in the criminal prosecution of Federal employees, the loss of program funds, or delayed projects.

USDA works with the U.S. Environmental Protection Agency to schedule problem areas for remedial action. These plans are coordinated and presented as a single funding item under the budget for departmental administration. Major areas of funding are associated with action to prevent and remedy the leakage from underground storage tanks

### **AUDIT**

Our strategy is (1) to review the Department's implementation of the Federal Facilities Compliance Act, (2) to evaluate agency efforts to discover new and improved technologies that reduce environmental pollution and hazardous waste, and (3) to assess the impact on the environment of major programs and assistance to the agricultural and forestry communities.

In FY 1994 we completed a review of the Department's compliance with Federal, State, and local regulations covering the maintenance, repair, and removal of underground storage tanks. We provided recommendations to the Department for improving planning, budgeting, and monitoring performance. We evaluated the



performance of controls over the release into the environment of bioengineered organisms and made recommendations on monitoring and recordkeeping. We began work on the status of hazardous waste management and cleanup at active and abandoned mines.

In FY 1995 we will complete our review of active and abandoned mines and continue our assessment of controls over hazardous biological materials. We are also initiating audit work on agricultural chemicals and a preliminary survey of the Department's compliance with the National Environmental Protection Act. With the completion of our review of USDA facilities compliance, we will issue a comprehensive report on the effectiveness of the Department's Hazardous Waste Program in meeting Federal and State requirements.



## ***RESEARCH AND TECHNOLOGY TRANSFER***

USDA is the lead agency for the Federal investment in agricultural research and development and for programs that introduce new and improved technologies to the production, processing, and marketing of agricultural and forestry products.

The principal agencies of the Department's research and technology transfer effort are

- the **Agricultural Research Service (ARS)**, which provides direct research on problems of national impact in production, processing, and marketing of agricultural and forestry products;
- the **Cooperative State Research Service (CSRS)**, which administers the Federal partnership with the State Land Grant system and other public and private institutions;
- the recently established **Alternative Agriculture Research and Commercialization (AARC)** board, which organizes public and private interests to encourage the commercialization and competitiveness of new uses of the Nation's agricultural and forestry resources;
- the **Extension Service (ES)**, which fosters the linkage between the Federal research community and the State extension network; and
- the **National Agricultural Library**, which serves the general public and the agricultural community as the world's largest resource on publications related to the agricultural and forestry sciences.

The FY 1995 budget for these agencies will exceed \$2 billion.

### **AUDIT**

For this strategy, our three major audit objectives will be to (1) determine if the policies and processes of USDA research funding decisions comply with the standards and expectations of the National Agricultural Research, Teaching, and Extension Policy Act; (2) determine if the research delivery systems are productive,

economical, and represent the best science available; and, (3) determine if current and appropriate technology is disseminated effectively to the farming and forestry communities.

In FY 1994 we continued our review of the special authorities provided to the Department's research agencies for the purpose of fostering the Federal-State partnership in research, education, and teaching. We completed the second audit of a two-part assessment of controls over the administration of the Small Business Innovative Research Program and initiated an evaluation of the Higher Education Capacity Building Program for 1890 Land Grant Universities. We have also begun a survey of the AARC organization and program development.

In FY 1995 we will complete our audit of research capacity building at 1890's institutions, initiate surveys of the controls over research priorities and research facilities funding decisions, and begin to evaluate the programs under the broadened mission of the ES with a survey of rural technology development grants.

## ***PROCUREMENT AND CONTRACTS***

Procurement of goods and services to support agency operations within USDA exceeded \$3.3 billion in FY 1994. The range of procurement and contracting is broad and includes advisory and assistance services; purchases of meat, poultry, and fish; and printing and distribution of food stamp coupons. Governmentwide policy is provided by OMB's Office of Federal Procurement Policy. Within USDA, the Office of Operations (OO) provides oversight for departmental procurement and contracting functions. The National Finance Center performs the accounting and payment functions for most agency procurements.

### **AUDIT**

Our strategy covers all aspects of USDA's procurement operations: acquisition management and planning, identification of requirements, solicitation and selection of sources, contract awards, contract funding, and contract performance and administration.

During FY 1994 we performed audits of contracts to assist USDA contracting officers in the negotiation, administration, and settlement of USDA contracts and subcontracts. We also conducted two legislatively mandated reviews, as required by Title 31 U.S.C. 114(b) and Title 31 U.S.C. 1352. These reviews included an evaluation of management controls over contracted advisory and assistance services, the integrity of the data reported to the Federal Procurement Data System, and actions taken by the Department and select USDA agencies to comply with the requirements and prohibitions related to lobbying for Federal awards. We also completed audits of the delegation of procurement authority to agencies by OO and controls over departmentwide multi-user contracts.

In FY 1995 we will continue the legislatively mandated reviews and contract audits of pricing proposals, incurred costs, and contractor claims. We will also be conducting an audit survey of the Department's progress in implementing reforms in its procurement process in accordance with the goals of the National Performance Review on "Reinventing Government."

We also plan to audit various aspects of the award and administration of contracts with Small Business Administration 8(a) program participants. Audits will also be performed on management and security over the use of USDA credit cards and third-party draft purchases.



## ***ACCOUNTING AND FINANCIAL MANAGEMENT***

The Chief Financial Officers' (CFO) Act of 1990 designated USDA as part of the pilot program to prepare and audit financial statements beginning with the FY 1990 statements. Financial statements are now being prepared each year covering all departmental activities, including all revolving and trust funds and programs that perform substantial commercial functions.

In its FY 1993 financial statements, the Department reported assets of over \$144 billion and total liabilities of over \$128 billion. Six departmental agencies (CCC, FCIC, FmHA, FNS, FS, and REA/Rural Telephone Bank (RTB)) account for more than 97 percent of each of those totals. Other account balances in the FY 1993 financial statements include \$82 billion in net loans receivable, \$105 billion in long-term debt owed by USDA, and interest expense of almost \$9 billion. The central accounting system and five other financial management systems in the Department (CCC, FCIC, FmHA, FNS, and REA/RTB) provide accounting control over all transactions processed in USDA. These systems also provide financial reports to agency managers as well as to nondepartmental entities. The systems are maintained on large-scale computers at either the National Computer Center (NCC) or the National Finance Center (NFC).

### **AUDIT**

Our audit strategy encompasses the financial statements, as well as departmental cash management and debt collection, financial management systems, and the responsibilities of the Office of the CFO, including the Office of Finance and Management (OFM). OFM provides departmental leadership in developing and evaluating agency programs in finance, accounting, management control, and management and productivity improvement. OFM also provides, through NFC, central accounting and administrative services for USDA agencies and over 30 agencies outside USDA.

In FY 1994 we performed or provided oversight of audits of the CCC, FCIC, FmHA, FNS, FS, REA/RTB, and consolidated USDA FY 1993 financial statements. We audited NFC's Treasury reconciliation procedures, automated time and attendance system, and Prompt Payment Act Quality Control Program; we



surveyed the Internal Revenue Service (IRS) reporting by USDA agencies and USDA's implementation of the Cash Management Improvement Act; and we monitored the USDA Financial Information System Vision and Strategy (FISVIS).

During the conduct of our CFO-related audits, we identified other audit issues that have since been included in this audit plan. The issues might not have been identified had it not been for the work we were doing on USDA's financial statements.

In FY 1995 we plan to audit the CCC, FCIC, FmHA, FNS, FS, REA/RTB, FNS, FCIC, and consolidated USDA financial statements for FY 1994. We also plan audits of OFM's imprest fund and field party advance system, accounting controls at APHIS, and IRS reporting by USDA agencies. Several surveys are planned, such as the ASCS County Office Expense System, NFC's Miscellaneous Payments System internal controls, debt management initiatives, and headquarters working capital fund. In addition, we will continue to monitor FISVIS.

Our efforts to work with and provide technical assistance to the Department in the area of accounting and financial management will continue into FY 1995. At least partially as a result of our recommendations to improve the financial statements, OFM's Director established the USDA Accounting Policy and Financial Statements Coordinating Committee. We participate in weekly meetings of that Committee as well as in meetings of work teams, task forces, and review boards dealing with subjects such as audit followup, cash management, cost accounting, credit reform, litigation tracking, Federal Managers' Financial Integrity Act, and USDA's FISVIS. We coordinate with the Office of the CFO on general control reviews and system audits, training, and the resolution of issues with OMB.

# ***INFORMATION RESOURCES MANAGEMENT***

USDA agencies continue to seek the most current, powerful, efficient, and economical automated resources to support their many and varied programs and administrative functions. These activities involve investments of millions of dollars annually (billions of dollars over the lives of the various individual information resources management (IRM) systems), and need continual management and audit oversight.

The major USDA mainframe processing facilities are located in the NCC in Kansas City, Missouri, with a satellite operation in Fort Collins, Colorado, and in the NFC in New Orleans, Louisiana. The NCC provides departmentwide processing, storage, telecommunications, and applications development services. The NFC operates centralized accounting, payroll/personnel, and administrative payment systems for USDA and more than 30 other Federal departments and agencies.

Of current major significance in USDA are

- Info Share, a major project to procure IRM resources for the proposed Farm Services Agency, a reorganized structure to provide the field services of ASCS, FmHA, FCIC, the Soil Conservation Service, and the ES;
- Modernization of Administrative Processes (MAP), a program to develop and implement modern administrative processes used to manage the money, personnel, property, and information resources entrusted to USDA;
- Financial Information System Vision and Strategy (FISVIS), an effort to implement more efficient and effective financial management systems throughout USDA;
- business re-engineering, a methodology by which agencies assess, define, and revise the way they do business;
- strategic IRM planning;
- data sharing, data administration, and data management;
- IRM security; and

- various agency efforts to replace or upgrade automated systems and capabilities.

The major issues surrounding USDA's IRM activities continue to be the integrity of the planning and acquisition processes for these automated resources, the adequacy of security and control over IRM systems and resources, and the lack of integration of many disparate systems. This last issue raises concerns in the areas of telecommunications, the compatibility of hardware and software being acquired, and data sharing and administration.

## AUDIT

This strategy highlights USDA's significant investment in automated resources, the importance of careful planning to ensure that the resources acquired are needed and prudently obtained, and the importance of designing and implementing effective security and control measures.

In FY 1994 we completed audits of selected aspects of automated data processing security and control in both ASCS and FmHA; and NFC's automated time and attendance system. We began audits of NCC's general controls; FS' All Resource Reporting System, and USDA's geographic information systems. We also continued our monitoring of the MAP, Info Share, and FISVIS initiatives.

In FY 1995 we will continue to monitor the MAP, Info Share, and FISVIS projects. We will review security, control, and management of a variety of automation activities, such as systems development and enhancements, systems modifications, application control and testing, and backup and recovery operations in FmHA, SCS, ASCS, FAS, FS, and OFM/NFC. Also planned is an audit of the management and control of the FNS Minneapolis Computer Support Center and of security and control over State food stamp and WIC systems.



## ***EMPLOYEE INTEGRITY***

The integrity of USDA personnel is essential to maintain the public's confidence that tax dollars and resources are adequately protected. A myriad of laws, Executive Orders, and regulations prescribe what is expected of public servants before, during, and after Government employment. During employment, public servants are held to high ethical standards, including prohibitions against acceptance of gifts and gratuities, private compensation, and the appearance of a conflict of interest. Certain prohibitions also apply after an employee leaves the Government. For example, the Federal Procurement Policy Act (Title 41 U.S.C. 23) imposes a 2-year restriction prohibiting individuals from representing a contractor in the negotiation or performance of a contract if that individual was personally and substantially involved in either the negotiation or review and approval of that same contract as a Government representative.

### **INVESTIGATIONS**

The prompt investigation of allegations involving the integrity of USDA employees continues to be a high priority of the Department and of OIG. Employee misconduct most often involves allegations of conflict of interest, embezzlement, and bribery. We have made a significant commitment to ensure that allegations of employee misconduct are investigated in a timely manner, in order that the agencies involved may proceed expeditiously with appropriate administrative action.

In addition to conducting investigations of criminal misconduct, OIG, in cooperation with the Office of Personnel, jointly conducts a 1-week training course for personnel specialists and other selected employees in USDA agencies. We teach students how to plan, conduct, and report on their own investigations. Graduates are designated by their agency as "Non-Criminal Misconduct Investigators" and are authorized to investigate allegations involving employees of their agencies. This program has allowed agencies to quickly investigate and resolve allegations which do not require the expertise of a criminal investigator. It has also made our expenditure of OIG resources on misconduct matters in general to be more focused, efficient, productive, and effective.

We intend to continue our commitment to employee integrity investigations by spending the same 7 percent of investigative time as in previous years.



## ***PROGRAM COMPLIANCE, ECONOMY, AND EFFICIENCY***

The Program Compliance, Economy, and Efficiency strategy includes all programs and activities not included in other strategic areas. It includes special requests, audit followup, single audits of State and local governments, and the quality of audits performed by non-Federal auditors. It also includes audits and investigations of organizations such as the Soil Conservation Service (SCS) and National Agricultural Statistics Service (NASS), when the audit area is not included in another strategy.

### **AUDIT**

During any year, issues develop which we cannot anticipate during the planning process. These issues usually develop from Secretarial, agency, congressional, or OIG concerns regarding fraud, waste, or abuse. In order to respond to these concerns, OIG reserves time for any unanticipated requests.

We also set aside time in our plan to monitor the management decisions made for audit recommendations presented in our audit reports. The purpose of management decisions is to ensure that we and the auditee agree on the actions to be taken to correct deficiencies. Once we agree with the management decision, management is responsible for implementing final actions. Final actions are monitored and tracked by OFM.

During FY 1995 we will evaluate OFM's automated tracking system and determine if the Departments' management decision and final action process results in timely and effective corrections on audit findings. Our plan also includes time for ensuring the quality of audits performed by non-Federal auditors in accordance with OMB Circulars A-128 and A-133, as well as those submitted to USDA agencies under program-specific requirements. When substandard audit work is identified, we refer the independent auditor to the State Board of Licensing Authorities and the American Institute of Certified Public Accountants.

In SCS we will evaluate farmer compliance with wetlands laws and the identification and certification of wetlands inventory. We will also be working collaboratively with NASS to conduct reviews which should produce accurate data for the Department to use in determining the national average market price for program crops.

## ***APPENDIX II***

# ***MAJOR AUDITS PLANNED FOR FISCAL YEAR 1995***



## ***MAJOR AUDITS PLANNED FOR FISCAL YEAR 1995***

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Below are brief descriptions of major audits planned for FY 1995. A list of all audits planned for FY 1995 is provided in appendix III.

<b>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS</b>
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### **Agricultural Stabilization and Conservation Service (ASCS)**

**TITLE:** ASCS' County Office Expense (COE) System

**OBJECTIVE(S):** Determine if ASCS' new COE system has sufficient controls in place to prevent the issuance of improper or fraudulent checks.

**TITLE:** FY 1994 CCC Financial Statements

**OBJECTIVE(S):** Determine (1) if CCC's financial statements are presented fairly in all material aspects in accordance with prescribed accounting policies, (2) if CCC complies with laws and regulations in all material aspects for the items reviewed, and (3) if CCC's internal accounting controls are adequate.

**TITLE:** Wetlands Reserve Program

**OBJECTIVE(S):** Evaluate implementation of the Wetlands Reserve Program and determine if program objectives are being accomplished in an efficient and effective manner.

**TITLE:** Management and Control of Grain Inventories

**OBJECTIVE(S):** Determine if the Kansas City Commodity Office properly administers and controls CCC grain inventories.



**TITLE:** County Office Operations

**OBJECTIVE(S):** Assess producer compliance with ASCS programs at the county level to identify potential areas of fraud and abuse.

**TITLE:** 1994 Disaster Assistance Program

**OBJECTIVE(S):** Evaluate controls and operating procedures over the administration of the 1994 disaster program for nonprogram crops to determine if they are sufficient to prevent program abuse.

**TITLE:** Peanut Handlers Who Produce Their Own Peanuts

**OBJECTIVE(S):** Determine the extent to which peanut handlers who raise their own peanuts adhere to prescribed peanut price support program regulations.

#### **Foreign Agricultural Service (FAS)**

**TITLE:** International Cooperation and Development and its Mission Within USDA

**OBJECTIVE(S):** Survey international cooperation and development activities and missions.

**TITLE:** Followup - Sugar Reexport Program

**OBJECTIVE(S):** Follow up on prior audit recommendations and determine if any new policy or procedures have been implemented.

**TITLE:** Public Law 480 Title I Program

**OBJECTIVE(S):** Evaluate the Public Law 480 Title I Program and make recommendations for program improvements to be considered in the 1995 Farm Bill.

**Federal Crop Insurance Corporation (FCIC)**

**TITLE:** FY 1994 FCIC Financial Statements

**OBJECTIVE(S):** Determine (1) if FCIC’s financial statements are presented fairly in all material aspects in accordance with prescribed accounting policies, (2) if FCIC complies with laws and regulations in all material aspects for the items reviewed, and (3) if FCIC’s internal accounting controls are adequate.

**TITLE:** Prevented Planting Provisions for Crop Insurance

**OBJECTIVE(S):** Determine the effect of the prevented planting provisions on the FCIC loss ratio and whether the cost of insurance has increased to reflect the new provision.

**TITLE:** Analysis of Crop Insurance Appraisals

**OBJECTIVE(S):** Determine whether appraisers develop appraisals based on actual production.

**SMALL COMMUNITY AND RURAL DEVELOPMENT**

**Farmers Home Administration (FmHA)**

**TITLE:** Management of Large Loan Portfolio

**OBJECTIVE(S):** Evaluate the effectiveness of FmHA’s initiatives to resolve delinquent large loans in their portfolio.

**TITLE:** Administrative Appeals

**OBJECTIVE(S):** Evaluate FmHA controls for ensuring that provisions of Section 608 of the Agricultural Credit Act of 1987 have been implemented in accordance with the law, regulations, and operating procedures.

<b>TITLE:</b>	Rural Rental Housing (RRH) Construction Activities
<b>OBJECTIVE(S):</b>	Follow up and determine if corrective actions have been successfully implemented.
<b>TITLE:</b>	Loan Eligibility Determinations - Use of Farm and Home Plans
<b>OBJECTIVE(S):</b>	Evaluate the effectiveness of Farm and Home Plans as a tool for determining borrower eligibility, classification, and ability to graduate from FmHA loan programs.
<b>TITLE:</b>	Management of RRH Projects
<b>OBJECTIVE(S):</b>	Determine if management companies are operating projects in compliance with laws and regulations.
<b>TITLE:</b>	Effectiveness of Certified Public Accountant Audits Over the RRH Program
<b>OBJECTIVE(S):</b>	Determine whether the audit program that OIG and FmHA developed is providing adequate guidance to independent auditors performing RRH audits and if independent audits are providing FmHA with better information to properly monitor the RRH program.
<b>TITLE:</b>	County Office Disbursement and Collection Activities
<b>OBJECTIVE(S):</b>	Evaluate internal controls over the disbursement and collection of payments at county offices.
<b>TITLE:</b>	FY 1994 FmHA Financial Statements
<b>OBJECTIVE(S):</b>	Determine (1) if FmHA's financial statements are presented fairly in all material aspects in accordance with prescribed accounting policies, (2) if FmHA complies with laws and regulations in all material aspects for the items reviewed, and (3) if FmHA's internal accounting controls are adequate.

**TITLE:** Security and Controls Over FmHA Transaction Processing

**OBJECTIVE(S):** Determine if adequate security and controls are in place to assure that only authorized transactions are processed and accurately recorded in the agency's local and national accounting systems and management information systems.

#### **Rural Electrification Administration (REA)**

**TITLE:** FY 1994 REA/RTB Financial Statements

**OBJECTIVE(S):** Determine (1) if REA/RTB's financial statements are presented fairly in all material aspects in accordance with prescribed accounting policies, (2) if REA/RTB complies with laws and regulations in all material aspects for the items reviewed, and (3) if REA/RTB's internal accounting controls are adequate.

**TITLE:** Rural Telephone Borrower Investments

**OBJECTIVE(S):** Determine if total borrower investments exceed the maximum investment ratio and meet the minimum total assets ratio.

**TITLE:** Rural Electrification Restructuring Act of 1993

**OBJECTIVE(S):** Determine the criteria set forth in REA Act of 1993 and evaluate agency actions to implement these requirements.

**TITLE:** Distance Learning and Medical Link Grants

**OBJECTIVE(S):** Determine if grants are used on authorized projects to meet program objectives.

**TITLE:** Rural Economic Development Loan and Grant Program

**OBJECTIVE(S):** Evaluate the adequacy of controls over the program and determine if the program promotes rural development and job creation.



**Rural Development Administration (RDA)**

- TITLE:** Approval of Business and Industry Loans

**OBJECTIVE(S):** Determine if Business and Industry Loans are approved in accordance with regulations and whether quality loans are made to accomplish the objectives of the program.
- TITLE:** Rural Business Enterprise Grants and Television Demonstration Grants

**OBJECTIVE(S):** Determine whether grants made to finance and facilitate development of small and emerging private business enterprises in rural areas are achieving these objectives.
- TITLE:** Subsequent Loans to Previous Borrowers-Water and Waste Loans

**OBJECTIVE(S):** Determine why borrowers who took advantage of the discount purchase program or whose loans were sold in the asset sale several years ago are coming back to FmHA for subsequent loans.

**ECONOMICS**

**National Agricultural Statistics Service (NASS)**

- TITLE** National Average Prices for Program Corps

**OBJECTIVE(S):** Assess the adequacy of internal controls to ensure receipt of accurate and consistent average price data.

<b>CHIEF FINANCIAL OFFICER</b>
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**Office of Finance and Management (OFM)**

**TITLE:** Performance of USDA's Hazardous Materials Program

**OBJECTIVE(S):** Evaluate the performance of the Department's Federal Facilities Act compliance program, the Hazardous Materials Program.

**TITLE:** Miscellaneous Payments (MISC) System Internal Controls

**OBJECTIVE(S):** Determine whether the management control document for MISC accurately reflects procedures being followed and if those procedures are adequate to ensure that payments are being properly authorized, made, and recorded.

**TITLE:** FY 1995 NFC General Controls Review

**OBJECTIVE(S):** Determine if the general controls at NFC provide reasonable assurance that data is processed properly.

**TITLE:** Verification of Data Input into NFC Payroll/Personnel Systems

**OBJECTIVE(S):** Evaluate the adequacy of the internal controls governing input/revision of data maintained in the NFC payroll/personnel data base.

**TITLE:** Imprest Fund and Field Party Advance System

**OBJECTIVE(S):** Determine if NFC is properly making payments through their imprest fund and Field Party Advance System.

## ADMINISTRATION

### Office of Information Resources Management (OIRM)

**TITLE:** FY 1994 NCC General Control Review

**OBJECTIVE(S):** Determine if the general controls at NCC provide reasonable assurance that data is processed properly.

## FOOD AND CONSUMER SERVICES

### Food and Nutrition Service (FNS)

**TITLE:** Reinvestment of Food Stamp Penalties

**OBJECTIVE(S):** Evaluate FNS management controls over reinvestment of funds by States to improve State Food Stamp Programs above and beyond normal operating requirements based on recent negotiated agreements.

**TITLE:** WIC Administrative Costs

**OBJECTIVE(S):** Evaluate the adequacy of FNS and State agency administrative and accounting controls over WIC administrative costs. Assess implementation of corrective actions in response to the prior audit.

**TITLE:** Food Stamp Program - Store Tracking and Redemption System

**OBJECTIVE(S):** Determine if FNS' redesigned retailer monitoring system is effective in detecting food stamp trafficking and other violations committed by participating retailers.

**TITLE:** National School Lunch Program - Procurement Activities

**OBJECTIVE(S):** Determine if school procurement activities allow for open competition.

<b>TITLE:</b>	Child Nutrition Programs - State Administrative Expense Funds
<b>OBJECTIVE(S):</b>	Evaluate FNS' allocation, and State agencies' use and reporting of State administrative expense funds.
<b>TITLE:</b>	Food Stamp Program - Vendor Disqualifications
<b>OBJECTIVE(S):</b>	Evaluate FNS' controls to ensure that retailers who commit serious violations in FNS programs are disqualified from participating in all programs for which they are authorized.
<b>TITLE:</b>	Security and Control over the Food Stamp Program and WIC ADP Systems
<b>OBJECTIVE(S):</b>	Determine (1) if proper security has been established over State Food Stamp and Supplemental Food Program for Women, Infants, Children (WIC) systems, and (2) if internal controls are adequate to prevent fraud, waste, and abuse.
<b>TITLE:</b>	FY 1994 FNS Financial Statements
<b>OBJECTIVE(S):</b>	Determine (1) if FNS' financial statements are presented fairly in all material aspects in accordance with prescribed accounting policies, (2) if FNS complies with laws and regulations in all material aspects for the items reviewed, and (3) if FNS' internal accounting controls are adequate.
<b>TITLE:</b>	Strategic Monitoring of EBT System Developments
<b>OBJECTIVE(S):</b>	Monitor the development and implementation of EBT technology for FNS programs.
<b>TITLE:</b>	Followup on Redemption Accountability Program Operations
<b>OBJECTIVE(S):</b>	Evaluate the redemption accountability system's ability to limit reimbursement for coupon redemption to the amount stated on the certificate.



**TITLE:** Financial Management of Letters of Credit

**OBJECTIVE(S):** Determine the adequacy of FNS’ operational controls for the management of letters of credit which authorize a State agency to draw funds from the U.S. Treasury.

**TITLE:** Food Stamp Program Certification Periods

**OBJECTIVE(S):** Analyze food stamp records for duplicate or incorrect participation. Identify related State agency controls and excessive certification periods.

**SCIENCE AND EDUCATION**

**Cooperative State Research Service (CSRS)**

**TITLE:** Capacity Building Grants Program

**OBJECTIVE(S):** Assess the long-term implications of the Research Capacities Building Assistance Program and determine whether institutions shared in the commitment to these efforts and conformed to the purposes and requirements of the funding.

**Extension Service (ES)**

**TITLE:** Rural Technology and Cooperative Development Grants

**OBJECTIVE(S):** Determine if grant recipients were qualified and eligible and have established adequate financial controls and used funds for authorized purposes.

## NATURAL RESOURCES AND ENVIRONMENT

### Forest Service (FS)

**TITLE:** FY 1994 FS Financial Statements

**OBJECTIVE(S):** Determine (1) if FS' financial statements are presented fairly in all material aspects in accordance with prescribed accounting policies, (2) if FS complies with laws and regulations in all material aspects for the items reviewed, and (3) if FS' internal accounting controls are adequate.

**TITLE:** Timber Sale Analysis and Clear Cut Policy

**OBJECTIVE(S):** Evaluate FS analysis required by the National Forest Management Act of 1976 and the National Environmental Policy Act of 1969 for proposed timber sales and the FS' policy to reduce clear cutting.

**TITLE:** Management of Hazardous Waste at Active and Abandoned Mines

**OBJECTIVE(S):** Determine if departmental oversight of FS' identification, assessment, and cleanup of abandoned mines provides reasonable assurance that Federal, State, and local requirements are met and that timely cleanup is being performed.

**TITLE:** Recreation Homes Program

**OBJECTIVE(S):** Determine if the FS assesses and collects appropriate special use permit fees, ensures that lands are adequately maintained, and allows residents to occupy the homes on a part-time basis only.

**TITLE:** International Forest Program

**OBJECTIVE(S):** Evaluate program development and cooperative activities with other U.S. Government agencies and foreign countries.

<b>TITLE:</b>	Timber Theft Prevention Controls
<b>OBJECTIVE(S):</b>	Evaluate controls for timber sale accounting, sale marking, tracer paint accountability and testing, tracking of contract infractions and violations, truck checks, scaling, antitrust, compliance with skewed bidding controls, tree measurement, and internal audits.
<b>TITLE:</b>	Followup On Timber Sale Contract Initiatives
<b>OBJECTIVE(S):</b>	Evaluate FS initiatives in the area of cubic measurement, minimum rates, tree measurement, skewed bidding controls, contract scaling, pre-engineering costs assessments, surety guarantees, periodic payments, and retention of down payment.
<b>TITLE:</b>	Pacific Northwest Forest Plan
<b>OBJECTIVE(S):</b>	Assess the controls governing the administration’s northwest forest plan, which is approximately \$45 million for watershed assessments and restoration and rural community assistance and old-growth diversification.
<b>TITLE:</b>	Summer Resort Concessions
<b>OBJECTIVE(S):</b>	Evaluate private concessionaire operations of FS campgrounds and other recreation facilities. Evaluate the concessionaires’ maintenance of the facilities and collections of fees.
<b>TITLE:</b>	State and Private Forestry Grants
<b>OBJECTIVE(S):</b>	Determine (1) if grantees meet matching requirements, (2) if controls are needed to eliminate excessive carryover of funds, and (3) if accomplishment reporting requirements need modification and strengthening.

**Soil Conservation Service (SCS)**

- TITLE:** Wetlands Inventory
- OBJECTIVE(S):** Determine if SCS effectively implemented the Food, Agriculture, Conservation, and Trade Act of 1990 for identification and certification of wetlands.
- TITLE:** Plant Material Centers
- OBJECTIVE(S):** Determine if the plant material centers are (1) providing services needed by the public, (2) in competition with similar services available in the private sector, or (3) duplicating work being done at other locations.
- TITLE:** Wetlands Compliance
- OBJECTIVE(S):** Evaluate the effectiveness of the wetlands compliance system.

**MARKETING AND INSPECTION SERVICES**

**Agricultural Marketing Service (AMS)**

- TITLE:** Inspection of Egg Products
- OBJECTIVE(S):** Follow up and determine whether AMS’ monitoring of sanitation and processing in egg products plants is adequate.
- TITLE:** Cotton Board - Cotton Research and Promotion
- OBJECTIVE(S):** Assess compliance by the Cotton Board with the Cotton Research and Promotion Act and related AMS regulations.
- TITLE:** Meat Grading and Certification Branch Operations
- OBJECTIVE(S):** Evaluate AMS’ meat grading procedures and controls.



**TITLE:** Management of the Shipping Point Inspection Program

**OBJECTIVE(S):** Assess the effectiveness of AMS controls over inspection and grading services for fruits and vegetables to ensure quantity and quality of agricultural commodities.

**Animal and Plant Health Inspection Service (APHIS)**

**TITLE:** Veterinary Biologics Program

**OBJECTIVE(S):** Determine if APHIS’ Veterinary Biologics (VB) Program is effectively administered and prevents unsafe and impotent VB products from reaching consumer markets.

**TITLE:** Salmonella Enteritidis Traceback Program

**OBJECTIVE(S):** Evaluate program effectiveness in reducing the incidence of salmonella enteritidis (SE) in egg production flocks and egg-implicated outbreaks of SE in humans.

**TITLE:** Licensing of Animal Exhibitors

**OBJECTIVE(S):** Evaluate APHIS’ licensing activities over animal exhibitors, with an emphasis on reviewing actions taken against exhibitors when found to be out of compliance with the Animal Welfare Act.

**TITLE:** Coordination of Export Activities

**OBJECTIVE(S):** Determine if there is effective coordination of technical and regulatory trade issues within APHIS’ divisions and other USDA agencies.

**TITLE:** APHIS International Programs

**OBJECTIVE(S):** Determine if APHIS’ programs in foreign countries are effective in keeping foreign pests out of the United States.

**Food Safety and Inspection Service (FSIS)**

- TITLE:** Food Nutritional and Safe Handling Labeling
- OBJECTIVE(S):** Evaluate FSIS procedures for implementing nutritional, product, and mandatory labeling regulations.
- TITLE:** Meat and Poultry Inspection Program (Track 1 and Track 2)
- OBJECTIVE(S):** Evaluate FSIS’ management of the current Track 1 FSIS meat and poultry inspection program, and evaluate the progress on Track 2 inspection procedures. Evaluate health-related issues, including residue controls, microbiological contaminants, sanitation, and in-plant slaughter and processing operations.

**MULTIPLE AGENCY AUDITS**

- TITLE:** Department’s Management of the Use of Agricultural Chemicals
- OBJECTIVE(S):** Determine what USDA agencies are doing in regard to data collections and problem measurement, program analysis, research, and technology transfer associated with agricultural chemicals that impact adversely on the environment.
- TITLE:** Implementation of the North American Free Trade Agreement (NAFTA) Provisions
- OBJECTIVE(S):** Monitor and assess the implementation of the agricultural provisions of NAFTA. Coordinate with the General Accounting Office to avoid duplication of effort.
- TITLE:** Biological Materials and Waste Management
- OBJECTIVE(S):** Assess the Department’s controls for ensuring facility compliance with Federal requirements for handling, storing, and disposing of biological material and waste.

<b>TITLE:</b>	Internal Revenue Service (IRS) Reporting
<b>OBJECTIVE(S):</b>	Assess the adequacy of the Department’s control systems for ensuring compliance with Federal requirements for reporting of program income to IRS.
<b>TITLE:</b>	Meat and Poultry Inspection Traceback Procedures
<b>OBJECTIVE(S):</b>	Determine whether USDA has procedures to trace back meat and poultry and, if not, determine whether it is practical to develop such procedures. If procedures are in place, review them for compliance and effectiveness.
<b>TITLE:</b>	Alternative Agriculture Research and Commercialization
<b>OBJECTIVE(S):</b>	Survey the efficiency and effectiveness of the newly-created Alternative Agricultural Research and Commercialization Center.
<b>TITLE:</b>	Requirements of Public Law 101-121
<b>OBJECTIVE(S):</b>	Determine whether agencies have implemented controls to ensure compliance with, and effectiveness of, the requirements of Public Law 101-121, "Limitation on the use of appropriated funds to influence Federal contracting and financial transactions."
<b>TITLE:</b>	Controls Over Research Goals/Priorities
<b>OBJECTIVE(S):</b>	Review USDA’s research policy and the process for establishing national research goals and priorities. Determine whether these goals and priorities have been enacted in the awarding of grants agreements and the Direct Research Program.
<b>TITLE:</b>	Monitoring the Financial Information System Vision and Strategy (FISVIS)
<b>OBJECTIVE(S):</b>	Determine if FISVIS will provide a single, integrated USDA financial management system within a reasonable timeframe and at a reasonable cost.

<b>TITLE:</b>	FY 1994 USDA Financial Statements
<b>OBJECTIVE(S):</b>	Determine (1) if USDA’s financial statements are presented fairly in all material aspects in accordance with prescribed accounting policies, (2) if USDA complies with laws and regulations in all material aspects for the items reviewed, and (3) if USDA’s internal accounting controls are adequate.
<b>TITLE:</b>	USDA Management Decision and Final Action Activities
<b>OBJECTIVE(S):</b>	Determine if the Department’s process of reaching management decision and taking final action results in timely and effective corrective actions taken in response to audit findings.
<b>TITLE:</b>	Review of Info Share Program
<b>OBJECTIVE(S):</b>	Monitor the development and implementation of Info Share, emphasizing the acquisition process, budgeting, security, training, telecommunications and business process reengineering.
<b>TITLE:</b>	Emerging Democracies Program
<b>OBJECTIVE(S):</b>	Evaluate the effectiveness of agencies and non-governmental organizations in implementing the provisions of legislation, cost-sharing requirements, and the effectiveness of technical assistance provided to selected countries.
<b>TITLE:</b>	Contract Advisory and Assistance Services
<b>OBJECTIVE(S):</b>	Determine (1) if the department is making progress in establishing effective management controls over Contract Advisory and Assistance Services and (2) if the data provided to the Federal procurement data system and the U.S. Congress is accurate and complete.



<b>TITLE:</b>	Management and Security Over USDA Credit Cards
<b>OBJECTIVE(S):</b>	Evaluate the management of the USDA credit card program and the security over the cards.
<b>TITLE:</b>	Agricultural Research Facilities
<b>OBJECTIVE(S):</b>	Determine if research facilities' funding decisions comply with the Department's research policy and priorities and the long-term needs of American agricultural technology.
<b>TITLE:</b>	Large Operators' Compliance With Payment Limitation Provisions
<b>OBJECTIVE(S):</b>	Determine whether large farm operators are complying with payment limitation provisions administered by ASCS. Determine whether the associated crop insurance requirements are met.
<b>TITLE:</b>	Assessment of Procurement Reform
<b>OBJECTIVE(S):</b>	Determine the extent to which the USDA has initiated and implemented procurement reform. Assess the impact of these reforms.
<b>TITLE:</b>	Evasion of Payment Limitation By Large Landholders
<b>OBJECTIVE(S):</b>	Determine if large landholders or their employees are participating in the creation of multiple farming operations to evade payment limitation provisions.
<b>TITLE:</b>	Government Performance and Results Act
<b>OBJECTIVE(S):</b>	Determine if the Government Performance and Results Act of 1993 is progressing as scheduled to improve the efficiency and effectiveness of Federal programs by establishing a system to set goals for program performance and to measure results.

**TITLE:** Third-Party Drafts

**OBJECTIVE(S):** Determine the effect of third-party drafts and their impact on controls over financial data.



# ***APPENDIX III***

## ***FISCAL YEAR 1995 AUDITS PLANNED***





FISCAL YEAR 1995 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
AMS	INSPECTION OF EGG PRODUCTS	SER		75
	COTTON BOARD - COTTON RESEARCH AND PROMOTION	SER		100
	MEAT GRADING AND CERTIFICATION BRANCH OPERATIONS	MWR		175
	USE OF FOREIGN-PRODUCED COMMODITIES IN GOVERNMENT CONTRACTS	MWR		100
	CONTROLS OVER AMS INVESTMENT PROGRAM	NER		50
	PERISHABLE AGRICULTURAL COMMODITIES ACT (PACA) PROGRAM	NER		25
	AUDIT PROGRAM FOR MARKETING ORDER COMMITTEES	WR		50
	* MANAGEMENT OF THE SHIPPING POINT INSPECTION PROGRAM	SWR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		211
	SUBTOTAL	886		
APHIS	VETERINARY BIOLOGICS PROGRAM	SER		75
	SALMONELLA ENTERITIDIS TRACEBACK PROGRAM	SER		120
	* LICENSING OF ANIMAL EXHIBITORS	MWR		75
	ACCOUNTING CONTROLS AT APHIS	FMS		50
	COORDINATION OF EXPORT ACTIVITIES	NER		100
	APHIS INTERNATIONAL PROGRAMS	NER		100
	BRUCELLOSIS ERADICATION SURVEY	WR		100
	APHIS OPERATIONS IN SOUTHWEST REGION	SWR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		225
	SUBTOTAL	945		
ARS	* THRIFTY FOOD PLAN CALCULATIONS	SER		115
	HNIS FOOD INTAKE STUDY	SWR		50
	AUDIT MANAGEMENT AND LIAISON	ALL		52
ASCS	DUPLICATE LOAN DEFICIENCY PAYMENTS	SER		100
	ASCS' COUNTY OFFICE EXPENSE SYSTEM	FMS		100
	INTERNAL CONTROLS IN THE AUTOMATED COTTON REPORTING SYSTEM	FMS		145
	FY 1994 CCC FINANCIAL STATEMENTS	FMS	NER SWR	1025
	FY 1995 CCC FINANCIAL STATEMENTS	FMS	NER	600
	SURVEY OF EXPORT CREDIT AND P.L. 480	FMS		50
	MAINFRAME SYSTEMS			
	STATE AND COUNTY OFFICE AUTOMATION PROJECT	FMS		50
	PRICE SUPPORT APPLICATION SYSTEM			
	VARIABLE COST SHARE PROGRAM	GPR		80
	FARM STORED RESERVE GRAIN	GPR		100
	LOAN LOSSES	GPR		80
	WETLANDS RESERVE PROGRAM	GPR		100

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
ASCS	OPTIONS PILOT PROGRAM	GPR		80
	AGRICULTURAL CONSERVATION PROGRAM	GPR		100
	PAYMENT LIMITATION IN STANTON COUNTY, KS	GPR		50
	WOOL AND MOHAIR PROGRAM	GPR		130
	EMERGENCY CONSERVATION PROGRAM	GPR		150
	DEBT COLLECTION ACTIVITIES	GPR		100
	COLORADO RIVER SALINITY CONTROL PROGRAM ADMINISTRATION	GPR		100
	LIMITATION ON COLORADO RIVER SALINITY CONTROL PROGRAM COST SHARES	GPR		120
	MANAGEMENT AND CONTROL OF GRAIN INVENTORIES	GPR	MWR	275
	MANAGEMENT OF PROCESSED COMMODITIES	GPR		100
	LOANS TO RICE COOPERATIVES	SWR		125
	CROP INSURANCE REQUIREMENTS FOR THE 1993 DISASTER ASSISTANCE PROGRAM	SWR		100
	DAIRY REFUND PAYMENT PROGRAM	SWR		100
	* CASH-SHARE LEASE PROVISIONS	SWR		150
	1993 EMERGENCY FEED PROGRAM	SWR		200
	COUNTY OFFICE OPERATIONS	SWR	SER MWR NER GPR WR	1250
	1994 DISASTER ASSISTANCE PROGRAM	SWR	SER MWR GPR WR	1000
	CONTROLS OVER BENEFICIAL INTEREST	SWR		35
	WOOL AND MOHAIR PAYMENT LIMITATION	SWR		50
	DISASTER ASSISTANCE PROGRAM	SWR	SER	500
	PEANUT HANDLERS WHO PRODUCE THEIR OWN PEANUTS	SWR	SER	125
	AUDIT MANAGEMENT AND LIAISON	ALL		2274
	<b>SUBTOTAL 9544</b>			
CSRS	CAPACITY BUILDING GRANTS PROGRAM	SER		75
	AUDIT MANAGEMENT AND LIAISON	ALL		23
	<b>SUBTOTAL 98</b>			
ES	RURAL TECHNOLOGY AND COOPERATIVE DEVELOPMENT GRANTS	SWR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		31
	<b>SUBTOTAL 131</b>			
FAS	ICD AND ITS MISSION WITHIN USDA	SER		50
	FOLLOWUP SUGAR RE-EXPORT PROGRAM	NER		100
	COMMODITY ORIGIN FOR FAS EXPORT PROGRAMS	NER		150
	MPP-3RD PARTY REIMBURSEMENTS & CONTRIBUTIONS	NER		150
	INTERNAL CONTROLS OVER FOREIGN AGRICULTURAL OFFICES	NER		150
	CREDIT WORTHINESS UNDER THE GSM PROGRAM	NER		150
	PUBLIC LAW 480 TITLE I PROGRAM	NER		200
	AUDIT MANAGEMENT AND LIAISON	ALL		297
	<b>SUBTOTAL 1247</b>			
FCIC	* QUOTA LEASE AND SALE - TOBACCO, PEANUTS	SER		125
	FY 1994 FCIC FINANCIAL STATEMENTS	HQ		100
	FY 1995 FCIC FINANCIAL STATEMENTS	HQ		20
	PREVENTED PLANTING PROVISIONS FOR CROP INSURANCE	GPR		150
	ANALYSIS OF CROP INSURANCE APPRAISALS	GPR		250
	WEATHER-DAMAGED CROPS IN CA	WR		100
	ACTUAL PRODUCTION HISTORY PROGRAM	SWR		125
	* MONITORING AGENCY REFORM	SWR		50

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
FCIC	STATISTICAL SAMPLING OF MANAGING GENERAL AGENCIES OPERATIONS	SWR		100
	ANALYSIS OF HIGH RISK CROP INSURANCE CLAIMS	SWR		200
	CONTROLS OVER NONSTANDARD CLASSIFICATION POLICY WRITING	SWR		100
	AGGREGATED OPTIONAL FARM UNITS FORMED UNDER THE UNIT DIVISION OPTION	SWR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		444
	<b>SUBTOTAL</b>			<b>1864</b>
FMHA	MANAGEMENT OF LARGE LOAN PORTFOLIO	SER		150
	QUALITY OF LENDER APPRAISALS	SER		100
	ADMINISTRATIVE APPEALS	SER		300
	SERVICING OF LABOR HOUSING LOANS	MWR		75
	RRH CONSTRUCTION ACTIVITIES	MWR		125
	LOAN ELIGIBILITY DETERMINATIONS - USE OF FARM AND HOME PLANS	MWR		100
	MANAGEMENT OF RRH PROJECTS	MWR	NER GPR WR SWR	1000
	FEES FOR RRH PROJECT MANAGEMENT SERVICES	MWR		75
	LOAN APPROVALS FOR SINGLE FAMILY HOMES	MWR		125
	* EFFECTIVENESS OF CPA AUDITS OVER THE RRH PROGRAM	MWR		150
	* EFFECTIVENESS OF LOAN UNDERWRITING STAFFS	MWR		75
	RRH PROGRAM - RENTAL ASSISTANCE AND INTEREST CREDIT ACTIVITIES	MWR	GPR WR	515
	COUNTY OFFICE DISBURSEMENT AND COLLECTION ACTIVITIES	MWR		150
	RRH PROGRAM REHABILITATION LOANS	MWR		125
	ELIGIBILITY DETERMINATIONS FOR EMERGENCY LOANS	MWR		75
	RRH LAND COSTS	MWR		75
	FY 1994 FMHA FINANCIAL STATEMENTS	FMS		840
	FY 1995 FMHA FINANCIAL STATEMENTS	FMS	GPR	450
	SECURITY AND CONTROLS OVER FMHA TRANSACTION PROCESSING	FMS		100
	* STRATEGIC MONITORING OF COUNTY OFFICE AUTOMATION PROGRAMS	FMS		50
	SURVEY - PUERTO RICO FMHA OPERATIONS AND MANAGEMENT	NER		100
	INTERNAL CONTROLS OVER INTEREST CREDIT RENEWAL CONTRACTS	NER		100
	S. CENTRAL HOUSING GROUP	NER		80
	SECTION 504 LOAN/GRANT PROGRAM	NER		50
	RRH PROJECTS SPECIAL REVIEW	NER		25
	* ANALYSIS OF RESULTS OF OI REPORTS OF FMHA EMPLOYEE FRAUD	NER		50
	REGIONAL REVIEW OF FMHA'S ACQUISITION, MANAGEMENT & DISPOSAL OF ACQUIRED PROPERTY	NER		100
	SECTION 502 (RURAL HOUSING) LOAN OPERATIONS	NER		100
	FOLLOWUP REVIEW OF SERVICING OF SECTION 8/515 RRH PROJECTS	GPR		100
	RRH VACANCY RATES	GPR		25
	EQUITY LOANS FOR RRH	GPR		25
	CERTIFIED LENDER PROGRAM	GPR		100
	FINANCIAL STATEMENT AUDIT - SELECTED RRH BORROWER	WR		50
	* FMHA FINANCE OFFICE PRIVATE SECTOR LIAISON	SWR		250
	SECTION INTEREST ACCRUAL			
	* EMPOWERMENT ZONES - ENTERPRISE COMMUNITIES PROGRAM	SWR		100



AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
FMHA	CASH FLOW ANALYSIS ON FARMER PROGRAM GUARANTEED LOANS	SWR		100
	* FEASIBILITY OF OPERATIONS APPROVED FOR FARMER PROGRAM LOANS	SWR	SER MWR NER GPR	850
	SUBSEQUENT LOANS TO NET RECOVERY BUYOUT BORROWERS	SWR		100
	SURVEY OF SECURITY FOR 1990 FACT ACT RESTRUCTURED FARMER PROGRAM LOAN ACCOUNTS	SWR		100
	FmHA FOR THE HOMELESS PROGRAM	SWR		50
	AUDIT MANAGEMENT AND LIAISON	ALL		2224
	<b>SUBTOTAL 9334</b>			
FNS	FOOD STAMP PROGRAM, TN - ADP CONVERSION	SER		275
	REINVESTMENT OF FOOD STAMP PENALTIES	SER		125
	WIC ADMINISTRATIVE COSTS	SER		75
	REVIEW OF PROCESSOR'S ACTIVITIES	SER		150
	CONTRACTS FOR COMMERCIAL FOOD PREPARATION	SER		25
	COMMODITY SUPPLEMENTAL FOOD PROGRAM	MWR		100
	WIC PROGRAM DIRECT DISTRIBUTION SYSTEM	MWR		125
	FOOD STAMP PROGRAM - INCOME AND ELIGIBILITY VERIFICATION SYSTEMS	MWR		125
	WIC PROGRAM FOOD PACKAGES	MWR		125
	FOOD STAMP PROGRAM - STORE TRACKING AND REDEMPTION SYSTEM	MWR		125
	CHILD NUTRITION PROGRAMS - FOOD SERVICE MANAGEMENT COMPANIES	MWR		125
	NSLP - PROCUREMENT ACTIVITIES	MWR	NER GPR	300
	* EFFECTIVENESS OF CPA AUDITS OVER FNS PROGRAMS	MWR		125
	DUAL PARTICIPATION OF WIC & CSFP PARTICIPANTS	MWR		75
	NSLP PROCUREMENTS THROUGH COOPERATIVES	MWR		100
	WIC ADMINISTRATIVE COSTS - OH	MWR		100
	FOOD STAMP PROGRAM - DISQUALIFIED RECIPIENT SYSTEM	MWR		125
	CHILD NUTRITION PROGRAMS - STATE ADMINISTRA- TIVE EXPENSE FUNDS	MWR	NER GPR WR	475
	FOOD STAMP PROGRAM - VENDOR DISQUALIFICATIONS	MWR		225
	SECURITY AND CONTROL OVER THE FOOD STAMP PROGRAM AND WIC ADP SYSTEMS	FMS		250
	WORKLOAD AND SECURITY AT FNS MINNEAPOLIS COMPUTER SUPPORT CENTER	FMS		150
	SURVEY OF SUMMER FOOD SERVICE PROGRAM	NER	MWR WR	400
	TICK ERADICATION PROJECT - NAP PUERTO RICO	NER		50
	EFFECTIVENESS OF MANAGEMENT EVALUATION REVIEWS	NER		100
	FY 1994 FNS FINANCIAL STATEMENTS	NER	SER MWR GPR WR SWR	1460
	FY 1995 FNS FINANCIAL STATEMENTS	NER	SER MWR GPR WR SWR	2040
	* STRATEGIC MONITORING OF EBT SYSTEM DEVELOPMENTS	NER	SER MWR SWR	525
	CONSISTENCY & QUALITY OF STATE AGENCY & FNSRO MONITORING OF CHILD AND ADULT CARE SPONSORS	NER		100
	FOOD STAMP ADMINISTRATIVE COST - NER	NER		400
	WIC OPERATIONS AND MANAGEMENT IN PUERTO RICO	NER		225
	FOOD STAMP COMPLIANCE OFFICES - FOLLOW UP	NER		100
	FOOD DISTRIBUTION PROGRAM	NER		100
	FOLLOWUP ON REDEMPTION ACCOUNTABILITY PROGRAM (RAP) OPERATIONS	NER		150
	CHILD AND ADULT CARE IN VA	NER		30
	MEAL REIMBURSEMENT FOR INSTITUTIONALIZED ADULTS - NE REGIONAL OFFICE	NER		100

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
FNS	WIC PROGRAM--COMPLIANCE WITH ELIGIBILITY PERIOD REGULATIONS	NER		100
	ADMINISTRATION OF NE FOOD STAMP PROGRAM	GPR		150
	WIC CERTIFICATION PROCESS AND ADMINISTRATIVE COSTS	GPR		150
	COMMODITY - FOOD DISTRIBUTION PROGRAM	GPR		100
	INDIRECT COSTS CHARGED TO FNS PROGRAMS	GPR		150
	WIC VOUCHER REDEMPTION - CA	WR		100
	WIC ADMINISTRATIVE COSTS - OR	WR		100
	FINANCIAL MANAGEMENT OF LETTERS OF CREDIT	WR	NER SWR	600
	STATE AGENCY USE OF CHILD & ADULT CARE FOOD PROGRAM AUDIT AND REVIEW FUNDS	SWR		50
	CERTIFICATION CONTROLS OVER EXPEDITED SERVICES	SWR		100
	FSP CERTIFICATION PERIODS	SWR		150
	CHILD AND ADULT FOOD PROGRAM	SWR		75
	DUAL PARTICIPATION IN THE COMMODITY SFP AND THE SSFP FOR WIC	SWR		50
	▪ CLIENT REPORTED CHANGES TO THE FOOD STAMP PROGRAM	SWR		75
	AUDIT MANAGEMENT AND LIAISON	ALL		3450
	<b>SUBTOTAL 14480</b>			
FS	FUNDING OF ENVIRONMENTAL ASSESSMENTS	SER		125
	AUTOMATED REAL PROPERTY SYSTEM	SER		100
	LAND STEWARDSHIP CONTRACTS	SER		20
	ROAD MAINTENANCE	SER		50
	FY 1994 FS FINANCIAL STATEMENTS	SER	MWR NER GPR WR SWR	1665
	FY 1995 FS FINANCIAL STATEMENTS	SER	MWR NER GPR WR SWR	1250
	TIMBER SALE ANALYSIS AND CLEAR CUT POLICY	SER		160
	TIMBER SALE PROGRAM INFORMATION REPORTING SYSTEM	SER		125
	TIMBER SALE INDIRECT COST RATES	SER		25
	MANAGEMENT OF HAZARDOUS WASTE AT ACTIVE AND ABANDONED MINES	SER		350
	RECREATION HOMES PROGRAM	SER		150
	ALLEGHENY NATIONAL FOREST OPERATIONS	NER		100
	INTERNATIONAL FORESTRY PROGRAM	NER		100
	RANGE VEGETATION MANAGEMENT PROGRAM	GPR		100
	PAYMENTS TO STATES AND COUNTIES FROM NATIONAL FOREST REVENUES	GPR		50
	SOIL AND WATER RESOURCE IMPROVEMENTS IN THE NATIONAL FORESTS	GPR		150
	TIMBER THEFT PREVENTION CONTROLS	WR		300
	FOLLOWUP ON TIMBER SALE CONTRACT INITIATIVES	WR		100
	PACIFIC NORTHWEST FOREST PLAN	WR		100
	SUMMER RESORT CONCESSIONS	WR		100
	FIREFIGHTING ADMINISTRATION	WR		100
	NATIONAL FOREST COST-SHARE AGREEMENTS	WR		75
	STATE AND PRIVATE FORESTRY GRANTS	WR	SER NER	600
	REVENUE ENHANCEMENT OPPORTUNITIES THROUGH NON-RECREATION SPECIAL USE FEES	WR		100
	MONITORING THE DEVELOPMENT OF SKI FEE SYSTEM	WR		100
	COST RECOVERY OF FS EXPENDITURES ON HARD ROCK MINING CLAIMS	WR		100
	FEDERAL EXCESS PERSONAL PROPERTY PROGRAM	WR		100
	CONSOLIDATION OF STATE AND PRIVATE FORESTRY FUNCTIONS	WR		100
	STATUS OF IMPLEMENTATION OF LOG EXPORT REGULATIONS	WR		75

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
FS	WORKING CAPITAL FUND	WR		500
	AMERICA THE BEAUTIFUL/TREES FOR THE FUTURE	SWR		50
	AUDIT MANAGEMENT AND LIAISON	ALL		2196
	<b>SUBTOTAL 9216</b>			
FSIS	FOOD NUTRITIONAL AND SAFE HANDLING LABELING	SER		150
	COMPUTER PROGRAMS SUPPORTING THE MEAT AND POULTRY INSPECTION PROGRAM	SER		25
	* MEAT AND POULTRY INSPECTION PROGRAM (TRACK 1 AND TRACK 2)	SER		435
	IMPORTED MEAT PROCESS	NER		150
	OPERATIONS OF THE REVIEW AND ASSESSMENT DIVISION	GPR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		269
	<b>SUBTOTAL 1129</b>			
MULT	* DEPARTMENT'S MANAGEMENT OF THE USE OF AGRICULTURE CHEMICALS	SER		150
	* "TOWN'S PACKAGE" INITIATIVES - FSIS/APHIS	SER		50
	IMPLEMENTATION OF NAFTA PROVISIONS	SER		20
	BIOLOGICAL MATERIAL AND WASTE MANAGEMENT	SER		150
	IRS REPORTING	ALL		450
	MEAT AND POULTRY INSPECTION TRACEBACK PROCEDURES	SER		25
	* ALTERNATIVE AGRICULTURE RESEARCH AND COMMERCIALIZATION	SER		40
	REQUIREMENTS OF PUBLIC LAW 101-121	SER		50
	USE OF COOPERATIVE AGREEMENTS	SER		100
	* CONTROLS OVER RESEARCH GOALS/PRIORITIES	SER		100
	DEBT MANAGEMENT INITIATIVES	SER		50
	MONITORING THE FINANCIAL INFORMATION SYSTEM VISION AND STRATEGY (FISVIS)	FMS		50
	FY 1994 USDA FINANCIAL STATEMENTS	FMS		800
	FY 1995 USDA FINANCIAL STATEMENTS	FMS		200
	FTS 2000 BILLINGS SECURITY AND USAGE	FMS		100
	* USDA MANAGEMENT DECISION AND FINAL ACTION ACTIVITIES	FMS		50
	HEADQUARTERS WORKING CAPITAL FUND	FMS		100
	REVIEW OF INFO SHARE	FMS		300
	SECURITY AND CONTROLS OVER DISTRIBUTED PROCESSING SYSTEMS - FOLLOW UP	FMS		25
	SECURITY AND CONTROL OF SENSITIVE USDA SYSTEMS	FMS		150
	REVIEW OF INFO SHARE PROGRAM	HQ		600
	EMERGING DEMOCRACIES PROGRAM	NER		100
	CONTRACT ADVISORY AND ASSISTANCE SERVICES	NER		150
	MANAGEMENT AND SECURITY OVER USDA CREDIT CARDS	NER	FMS	250
	COMPLIANCE WITH CONTRACTS FOR PROVIDING GOVERNMENT AIRFARES	NER		100
	REQUIREMENTS OF SECTION 8(A) OF THE SMALL BUSINESS ACT	NER	HQ	300
	CONTRACTING FOR AND USE OF ARCHITECT AND ENGINEERING SERVICES	NER		100
	AGRICULTURAL RESEARCH FACILITIES	NER		100
	FUND BALANCES HELD BY USDA AGENCIES	NER		100

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
MULT	CONSERVATION COMPLIANCE PROVISIONS	GPR		80
	PAYMENTS OF USDA BENEFITS ON LAND COVERED BY FLOOD EASEMENTS	GPR		100
	ESTABLISHMENT OF YIELDS AND RATES FOR SPECIALTY CROPS	GPR		100
	SOIL INVENTORY PROGRAM IN THE NATIONAL FORESTS	GPR		100
	LARGE OPERATORS' COMPLIANCE WITH PAYMENT LIMITATION PROVISIONS	GPR	WR SWR	535
	METHODS USED TO DETERMINE CROP PRODUCTION	GPR		150
	CROP INSURANCE/FARM PROGRAMS CROSS-COMPLIANCE	GPR		100
	WATER QUALITY INCENTIVES PROJECTS	GPR		200
	* ASSESSMENT OF PROCUREMENT REFORM	SWR		100
	* FOREST STEWARDSHIP - STEWARDSHIP INCENTIVE PROGRAM	SWR		100
	COMPUTER MATCH OF ASCS DISASTER PRODUCTION CERTIFICATION AGAINST FCIC PRODUCTION CERT.	SWR		30
	EVASION OF PAYMENT LIMITATION BY LARGE LAND HOLDERS	SWR		200
	IMPLEMENTATION OF PROGRAM FRAUD CIVIL REMEDIES ACT OF 1986	SWR		75
	UNLIQUIDATED OBLIGATIONS	SWR		100
	GOVERNMENT PERFORMANCE AND RESULTS ACT	FMS		50
	THIRD-PARTY DRAFTS	FMS		50
	CAPTAIN MAINTENANCE	FMS		600
	FY 1995 AUDIT ASSIST	FMS		465
	AUDIT OF CONTRACTS	ALL	(EXCEPT FMS)	500
	SINGLE AUDIT MANAGEMENT	ALL	(EXCEPT FMS)	805
	AUDIT FOLLOWUP	ALL		1050
	SPECIAL REQUESTS	ALL		4025
	AUDIT MANAGEMENT AND LIAISON	ALL		4465
	<b>SUBTOTAL 18740</b>			
NASS	* NATIONAL AVERAGE PRICES FOR PROGRAM CROPS	SER		225
	AUDIT MANAGEMENT AND LIAISON	ALL		70
	<b>SUBTOTAL 295</b>			
OFM	PERFORMANCE OF USDA HAZARDOUS MATERIALS PROGRAM	SER		50
	MISCELLANEOUS PAYMENTS INTERNAL CONTROLS	FMS		150
	NFC GENERAL CONTROLS REVIEW, FY 1994	FMS		25
	FY 1995 GENERAL CONTROLS AUDIT	FMS		200
	MONITORING OF SYNEX'S RECOMMENDED CHANGES	FMS		100
	VERIFICATION OF DATA INPUT INTO NFC PAYROLL/ PERSONNEL SYSTEMS	FMS		200
	MONITORING OF MAP	FMS		25
	IMPREST FUND AND FIELD PARTY ADVANCE SYSTEM	FMS	NER	100
	AUDIT MANAGEMENT AND LIAISON	ALL		266
	<b>SUBTOTAL 1116</b>			
OIRM	NCC GENERAL CONTROL REVIEW - FY 1994	FMS		50
	AUDIT MANAGEMENT AND LIAISON	ALL		11
	<b>SUBTOTAL 66</b>			



AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
PSA	OVERSIGHT RESPONSIBILITIES	WR		500
	AUDIT MANAGEMENT AND LIAISON	ALL		156
	<b>SUBTOTAL</b>			<b>656</b>
RDA	APPROVAL OF BUSINESS AND INDUSTRY LOANS	MWR		125
	RURAL BUSINESS ENTERPRISE GRANTS AND TELEVISION DEMONSTRATION GRANTS	NER		100
	SUBSEQUENT LOANS TO PREVIOUS BORROWERS	GPR		100
	ELIGIBILITY OF CP BORROWERS	GPR		100
	WATER AND WASTE BORROWER OPERATIONS	GPR		75
	GRADUATION OF COMMUNITY PROGRAM LOANS	GPR		25
	B&I GUARANTEED LOAN PROGRAM - LIQUIDATIONS	WR	SER MWR NER GPR SWR	900
	AUDIT MANAGEMENT AND LIAISON	ALL		446
	<b>SUBTOTAL</b>			<b>1871</b>
REA	QUALITY OF CPA AUDITS OF REA BORROWERS	MWR		125
	FY 1994 REA/RTB FINANCIAL STATEMENTS	HQ		100
	FY 1995 REA/RTB FINANCIAL STATEMENTS	HQ		15
	RURAL ELECTRIFICATION RESTRUCTURING ACT OF 1993	NER		100
	DISTANCE LEARNING AND MEDICAL LINK GRANTS	NER		100
	* RURAL TELEPHONE BORROWER INVESTMENTS	SWR		125
	RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM	SWR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		208
	<b>SUBTOTAL</b>			<b>873</b>
SCS	WETLANDS INVENTORY	GPR		100
	* MANAGEMENT EFFECTIVENESS	GPR		100
	SCS PLANT MATERIAL CENTERS	GPR		75
	WETLANDS COMPLIANCE	GPR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		117
	<b>SUBTOTAL</b>			<b>492</b>
<b>GRAND TOTAL STAFF DAYS</b>				<b>73200</b>

\*An evaluation is a review, study, or analysis of USDA's programs or activities for the purpose of providing information to managers for decision making, for making recommendations for improvements to programs, policies, or procedures, and for administrative action.









